

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, April 22, 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, Syme, Bundy, Giddings, Nate, Morales(Green), and Nash

ABSENT/ EXCUSED: Representative Amador

CONVENED: **Chairman Bair** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:04 a.m.

LSO STAFF PRESENTATION: **American Rescue Plan Act (ARPA) of 2021 — Medicaid Home and Community-Based Services for Fiscal Years (FY) 2021, Supplemental and FY 2022, Original Appropriation**
Jill Randolph, Legislative Services Office — Budget & Policy Analysis Division (LSO-BPAD), Senior Analyst

Under ARPA, all Home Community-based Services (HCBS) are eligible to collect an additional 10 percent federal match for the period of April 1, 2021 to March 31, 2022. HCBS are services provided to qualified elderly and physically disabled Idahoans who receive nursing level of care, but would remain in their own homes or communities instead of living in nursing homes. These services include adult day health, attendant care, chore services, and service coordination.

Ms. Randolph emphasized that in accordance to ARPA's provision, the 10 percent federal match must be used to supplement, not supplant, the State's General Fund. The Division of Medicaid (Division) has provided estimation, which was based on current levels of service, of additional federal appropriation needed to meet the increased Federal Medical Assistance Percentage (FMAP). There is no state matching requirements for these funds.

Due to the timing of eligibility for the use of the enhanced FMAP, Division of Medicaid requested one-time supplemental appropriations for both FY 2021 and FY 2022. Additionally, **Ms. Randolph** proposed for the approval of a section of language that would be applicable to the two aforementioned funds.

DISCUSSION: In response to questions from Representative Giddings on the utilization of the requested supplemental funds, **Ms. Randolph** replied the figures presented were the Division's best estimated funds needed in the next three months. She added the proposed language would restrict the use of funds on pay increments or bonuses of frontline workers. She yielded to **Dave Jeppesen**, Director, Idaho State Department of Health and Welfare (IDHW) for additional comments. **Director Jeppesen** agreed with Ms. Randolph's response, and added that the funds are expected to be used through pay increase or grants depending on the final federal guidance.

UNANIMOUS CONSENT: Requested by **Senator Agenbroad**, granted by unanimous consent to reopen the fiscal year 2021 budget for the Department of Health and Welfare, Division of Medicaid.

MOTION: Moved by **Senator Agenbroad** for FY 2021, for the Department of Health and Welfare in the Division of Medicaid, an additional \$16,000,000 one-time from the Cooperative Welfare (Federal) Fund for the purpose of enhanced reimbursement rates for home and community-based services, seconded by **Representative Troy**.

CARRIED: **AYES: 17**
Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Morales, and Nash

NAYS: 2
Representatives Nate and Giddings

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed, and with no objection, will carry a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

UNANIMOUS CONSENT: Moved by **Senator Agenbroad**, granted by unanimous consent to reopen the FY 2022 budget for the Department of Health and Welfare.

MOTION: Moved by **Senator Agenbroad** for FY 2022, for the Department of Health and Welfare in the Division of Medicaid, an additional \$62,000,000 one-time from the Cooperative Welfare (Federal) Fund for the purpose of enhanced reimbursement rates for home and community-based services, seconded by **Representative Troy**.

CARRIED: **AYES: 17**
Senators Bair, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Morales, and Nash

NAYS: 2
Representatives Nate and Giddings

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed, and with no objection, will carry a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

DISCUSSION: **Senator Agenbroad** reiterated the requested supplemental funds are one-time federal funds, and no General Funds are to be used for its appropriation. He indicated the importance of recognizing the individuals who attend to Idaho's vulnerable population. Moreover, he mentioned it is necessary to work with the providers in planning on how to manage the funds.

LSO STAFF PRESENTATION: **Ms. Randolph** further explored the proposed section of intent language that is germane to the Division's requested supplemental funds for FY 2021 and FY 2022.

MOTION: Requested by **Senator Agenbroad**, granted by unanimous consent, to include the language as shown on the screen, and have it apply to the Division of Medicaid for both FY 2021 and FY 2022.

INTENT LANGUAGE: SECTION _ . Notwithstanding the provisions of Section 56–265, Idaho Code, and any other provision of law to the contrary, home and community based providers enrolled and in good standing with Medicaid shall receive an increase to any regular reimbursement otherwise received from the Division of Medicaid for home and community based services funded by the 10 percent FMAP increase as provided in P.L. 117–2 for the period April 1, 2021, or upon release by the Centers for Medicare and Medicaid Services (CMS), whichever is sooner, through March 31, 2022 or until funds appropriated for this purpose are expended. This increase shall be used solely for temporary pay increases or bonuses for direct care workers subject to guidance from CMS and federal limitations for the funds. In order to receive any increase related to this section, the provider must sign a statement acknowledging that the increase is only available for the time period specified by this section. Further, this increase is provided with onetime federal funding for a onetime purpose and shall not obligate the department to spend or request ongoing funds for fiscal year 2023, or obligate the Legislature to provide an appropriation for ongoing pay increases.

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

LSO STAFF **ARPA — Low-Income Water Assistance Program**

PRESENTATION: Jill Randolph, LSO-BPAD, Senior Analyst

In ARPA, funds were allocated for a new program at the federal level called Low Income Household Water Assistance Program (LIHWAP). This program will assist individuals and families who are in danger of having drinking and wastewater services discontinued due to outstanding and/or overdue bills. It will presumably follow the same process as Low Income Household Energy Assistance Program (LIHEAP), wherein the community action partners would review applications and implement the program. The payments would go directly to water and wastewater operators and providers, on behalf of the approved LIHWAP applicants.

DISCUSSION: **Representative Nate** asked Director Jeppesen to clarify the rationale on the difference of IDHW’s requested fund last April 7 from the current request. **Director Jeppesen** explained that IDHW’s initial request of \$1.5 million was an approximated amount and during that period, IDHW did not have the exact funding information and guidance from the federal government. On the other hand, the current request was based on the understanding from the federal guidelines that LIHWAP would receive \$6.5 million, and it is expected to use \$3 million in the next fiscal year.

Representative Nate, Director Jeppesen, and Alex Adams, Administrator, Division of Financial Management (DFM) discussed parameters of LIHWAP. **Mr. Adams** pointed out that the parameters for the program was established by US Congress and not by the State or IDHW.

Representative Syme asked Mr. Adams if the funds in LIHWAP could be utilized to help small communities that are having serious health issues due to inadequate wastewater systems. **Mr. Adams** stated LIHWAP funds are specific for individuals or families who are financially challenged in the recent months. However, ARPA's state fiscal recovery fund could be used in infrastructure such as water, sewer, and broadband.

Representative Giddings asked Director Jeppesen to clarify if the beneficiaries of the program would include families in rural communities who use wells and septic systems. **Director Jeppesen** acknowledged that IDHW has the same query to the federal government and yielded to **Julie Hammon**, Administrator, IDHW — Division of Welfare for additional information. Due to some technical issues, **Ms. Hammon** would get back to the Committee members via e-mail.

MOTION:

Moved by **Representative Troy** for FY 2022, for the Department of Health and Welfare's Division of Welfare, an additional \$3,000,000 one-time from the Cooperative Welfare (Federal) Fund, seconded by **Senator Riggs**.

CARRIED:

AYES: 15

Senators Bair, Agenbroad, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Syme, Bundy, Morales, and Nash

NAYS: 2

Representatives Nate and Giddings

ABSENT/EXCUSED: 3

Senator Crabtree
Representatives Horman and Amador

The majority having voted in the affirmative, the motion passed, and with no objection, will carry a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

LSO STAFF

PRESENTATION:

Division of Welfare — Additional Language

Jill Randolph, LSO-BPAD, Senior Analyst

Public Law (P.L.) 116–260 is the COVID Relief Act, or the bill signed into law on December 7, 2020. This language would apply to the \$33,763,900 for Child Care included in **H 369**, an appropriation bill for the IDHW, Division of Welfare for FY 2022.

This language would be included in a bill which contains the following items:

- Division of Public Health - COVID-19 Vaccines - \$10,151,200;
- Division of Welfare - Low Income Household Energy Assistance - \$14,000,000;
- Division of Welfare - Child Care Entitlement - \$3,125,000; and
- Division of Welfare - Low Income Household Water Assistance - \$3,000,000.

DISCUSSION: **Representatives Nash and Troy**, and **Ms. Randolph** discussed the appropriation authority time frame given to IDHW - Division of Welfare. As indicated in the proposed language, the appropriation authority would expire on or before the end of fiscal year, December 31, 2021. **Ms. Randolph** emphasized the \$33 million is one-time federal increase, and should there be unused funds, IDHW - Division of Welfare would need to request an additional amount for any fiscal year going forward.

Representative Nash voiced his dissent on the proposed language. He said it would be suitable to revisit the program next legislative session instead of granting appropriation authority halfway through a fiscal year.

UNANIMOUS CONSENT: Requested by **Representative Troy** to accept the language as shown on the screen, and have it apply to the Division of Welfare for FY 2022, objected by **Representative Nash**.

MOTION: Moved by **Representative Troy** to accept the language as show on the screen, and have it apply to the Division of Welfare for FY 2022, seconded by **Senator Riggs**.

INTENT LANGUAGE: SECTION _ . For any funds received from P.L. 116–260 for child care, the Department of Health and Welfare shall phase out on or before December 31, 2021 the employee wage enhancements, increased co-pay of child care costs, the temporary increase of eligibility using the federal poverty guideline for child care subsidies, and provider grants.

CARRIED: **AYES: 13**
Senators Bair, Agenbroad, Grow, Woodward, Lent, Riggs, and Cook
Representatives Youngblood, Troy, Syme, Bundy, Nate, and Giddings

NAYS: 4
Senators Ward-Engelking and Nye
Representatives Morales and Nash

ABSENT/EXCUSED: 3
Senator Crabtree
Representatives Horman and Amador

The majority having voted in the affirmative, the motion passed, and with no objection, the language has been adopted. Hearing no objection, it was so ordered by **Chairman Bair**.

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

Due to unforeseen event, presenters and principals for Public School Support programs were not available to answer any questions from the Committee. Hence, **Chairman Bair** called the next presenters in the agenda,

LSO STAFF PRESENTATION: **Office of the Governor — Military Division — Additional Federal Funding**
Christine Otto, LSO-BPAD, Senior Analyst

The Military Division received an additional \$6,519,000 in federal funds on April 14. These funds come to the Military Division from two separate cooperative agreements and would be used for construction, repair, and maintenance projects at the Orchard Combat Training Center and Gowen Field. **Ms. Otto** pointed out that the request is a supplemental appropriation.

Additional federal funding for these purposes is common and the majority of the funds were the result of reallocation from other states by the federal government. Over the last three years, there have been an annual average of \$44 million that has been classified as non cognizable funds pursuant to Idaho Code § 67-3516(2).

**UNANIMOUS
CONSENT:**

Requested by **Representative Syme**, granted by unanimous consent to reopen the FY 2021 budget for the Military Division.

MOTION:

Moved by **Representative Syme** for FY 2021, for the Military Division, in the Federal/State Program, \$6,519,000 one-time from the Federal Grant Fund, seconded by **Senator Ward-Engelking**.

CARRIED:

AYES: 17

Senators Bair, Agenbroad, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Syme, Bundy, Nate, Giddings, Morales, and Nash

NAYS: 0

ABSENT/EXCUSED: 3

Senator Crabtree
Representatives Horman and Amador

The majority having voted in the affirmative, the motion passed, and with no objection, will carry a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

Links to [Audio](#), [Ballots](#), and [Motion](#) here.

**LSO STAFF
PRESENTATION:**

Lieutenant Governor

Max Flom, LSO-BPAD, Budget Analyst

The Office of the Lieutenant Governor requested a 1.5 percent increase of \$184,900 and three FTP from the General Fund. On the other hand, the Office of the Governor recommendation includes a 0.5 percent increase of \$183,100 and three FTP from the General Fund. Changes in benefit costs and employee compensation account for the differences between the two aforementioned Offices. This request also includes an exemption from the budget laws restricting the transfer of appropriation between object codes.

**UNANIMOUS
CONSENT:**

Requested by **Representative Youngblood**, granted by unanimous request to reopen the FY 2022 budget for the Lieutenant Governor.

MOTION:

Moved by **Representative Youngblood** for the Lieutenant Governor, beginning with the FY 2022 Base, add \$300 for benefit costs, reduce \$200 for statewide cost allocation, and add \$1,600 for change in employee compensation. The totals for this motion for FY 2022 are 3.00 FTP and \$183,100 from the General Fund, this motion also includes an exemption from the budget laws restricting the transfer of appropriation between object codes, seconded by **Chairman Bair**.

CARRIED:

AYES: 12

Senators Bair, Grow, Woodward, Lent, Riggs, and Cook
Representatives Youngblood, Troy, Bundy, Nate, Giddings, and Nash

**CHECK AT THE
MOTION**

NAYS: 5

Senators Agenbroad, Ward-Engelking and Nye
Representatives Syme and Morales

ABSENT/EXCUSED: 3

Senator Crabtree

Representatives Horman and Amador

The majority having voted in the affirmative, the motion passed, and with no objection, will carry a **do pass** recommendation. Hearing no objection, it was so ordered by **Chairman Bair**.

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

ADJOURNED:

There being no further business at this time, Chairman Bair adjourned the meeting at 9:33 a.m.

Senator Bair
Chair

Rellie Wisdom
Secretary