

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, May 12, 2021

TIME: 1:00 P.M.

PLACE: Room C310

MEMBERS PRESENT: Senators 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: Senators Co-chairman Bair

CONVENED: **Chairman Youngblood** called the Joint Finance-Appropriations Committee (JFAC) to order at 1:00 p.m.

AGENCY PRESENTATION: **BUDGET SETTING OFFICE OF THE STATE CONTROLLER - ARPA - Local Fiscal Recovery Fund, Distribution to Non-Entitlement Cities. Max Flom, Analyst.**

Ms. Flom introduced the budget for the Office of the State Controller for the ARPA fund.

Section 9901 of the American Rescue Plan Act of 2021 provides recovery funding to units of local government. One allocation is for distribution to non-entitlement units of local government (cities with a populations of less than 50,000) and Idaho's estimated amount was \$103,548,468.

Allowable uses include COVID- related costs, premium pay for certain employees, revenue replacement, and for sewer, water, and broadband infrastructure. Because the US Treasury will provide payment to the states in two tranches of 50% each, JFAC took action on 4-14-2021 by providing a FY 2021 supplemental appropriation to the State Controller based on one-half of the allocation, or \$51,774,300. That action was taken because distribution of the first payment to cities must occur no later than 30 days after receipt of funding, which is expected to be received during the first part of this month. JFAC's action became S1208, which was passed unanimously by both the Senate and House and signed into law on 5-3-2021. On 5-10-2021 the US Treasury issued final allocations to states for the Local Fiscal Recovery Fund and these allocations were different from those estimates that states had relied on from both the Federal Funding Information for the States (FFIS) and the Congressional Research Service (CRS). The final allocation to Idaho's Local Fiscal Recovery Fund is now \$107,940,808, or \$4,392,340 more than anticipated. Because the requirement to distribute the first 50% payment within 30 days has not changed, the State Controller will need an additional appropriation of \$2,196,200 for FY 2021. According to ARPA (P.L. 117-2, p.227) if these funds are not distributed to the cities within this time-frame the state would incur a financial penalty for noncompliance and the same amount would be reduced from the State's portion of the State Fiscal Recovery Fund.

Chairman Youngblood announced a request to reset the committee at 3:30pm for the motions on the agenda, but the Chairman decided to proceed with the

current agenda.

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

DISCUSSION: **Rep. Horman** asked if there is a penalty if no action is taken on the distribution of the funds. **Mr. Adams** confirmed the current understanding is that there is a penalty of \$2.1 million if the state is not in compliance with ARPA directions. **Rep. Nate** noted the committee is controlled by the federal government, **Mr. Adams** explained the current amount is in line with the decision made by the committee during Senate Bill 1208.

MOTION: Original Motion: Moved by **Rep. Troy**, seconded by **Sen. Woodward**, for the Office of the State Controller, Administration Program, for the FY 2021 a one-time appropriation of \$2,196,200 from the American Rescue Plan Fund to be distributed to Idaho Non-entitlement Units of Local Government in accordance with Section 9901 of the American Rescue Plan Act of 2021.

CARRIED: **AYES: 17.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.
NAYS: 2. Nate, Giddings.
ABSENT/EXCUSED: 1. Bair 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**.

AGENCY PRESENTATION: **DEPARTMENT OF ADMINISTRATION PERMANENT BUILDING FUND. Carnegie Library Purchase and Restoration. Jill Randolph, Senior Page 3 of 2 Analyst.**

Ms. Randolph introduced the budget for the Department of Administration Permanent Building Fund for the Carnegie Library purchase and restoration. The Carnegie Library, located at 815 W. Washington St., Boise, was built in 1904 and placed on the National Historic Register in 1974. The University of Idaho is currently in the process of accepting the building for the original purchase price by the private owner, as well as a donation of the costs of the renovations to date. The building will need to be further renovated to establish learning and event areas, such as large lecture or event halls on the first and second floor and smaller study spaces, as well as upgrades to technology systems. The Department of Administration, through Section 67-5709, Idaho Code, has exclusive control of the Capitol Mall properties. The current action is for \$7.0 million from the Permanent Building Fund.

DISCUSSION: **Sen. Agenbroad** asked what is the normal process for this request. **Ms. Randolph** explained the process that the permanent Building Fund Advisory Council receive a request for renovation in August, followed by a design for the rendering of the building, and then a construction phase. **Sen. Agenbroad** asked if the urgency of this action may be caused by an imminent sale of the building. **Ms. Randolph** explained the current owner has a desire to release the building in the upcoming months. **Mr. Adams** confirmed there is an interest of the State to acquire the building due to its historical significance. **Dir. Reynolds** provided details about the historical nature of the building and its potential use for the University of Idaho for events and learning space. **Sen. Agenbroad** asked about the effect if the committee approves the purchases of the building but not the renovation fund. **Dir. Reynolds** explained the amounts are based on estimations made by the University of Idaho and are in line with the expectations. Furthermore, the current owner has made some renovations to the building and these have been donated to the state. **Rep. Horman** requested details about who will be the final owner of the building. **Ms. Randolph** explained the ultimate owner of the building will be the State of Idaho. **Sen. Grow** asked if there is a rent the State of Idaho will charge the University of Idaho for the use of the building. **Dir. Reynolds** provided details about the rent that will be charged to the University of Idaho for a renting period of no less than 25 years.

UNANIMOUS CONSENT: Requested by **Rep. Amador** granted by unanimous consent, the FY 2022 budget for the Office of the Department of Administration, Division of Public Works.

MOTION: Original Motion: Moved by **Rep. Amador**, seconded by **Sen. Grow**, for the Department of Administration, Division of Public Works, an FY 2021 supplemental appropriation of \$7,000,000 from the Permanent Building Fund for the purpose of purchase and renovations to the Carnegie Library.

SUBSTITUTE MOTION: Substitute Motion: Moved by **Sen. Agenbroad**, seconded by **Sen. Crabtree**, for the Department of Administration, Division of Public Works, an FY 2021 supplemental appropriation of \$2,300,000 from the Permanent Building Fund for the purpose of purchase and renovations to the Carnegie Library.

DISCUSSION: **Rep. Nate** expressed his opposition to both motions as the State has enough space for events. **Rep. Syme** expressed his support to the motion to purchase the building and asked details about how much is usable in the building for the University of Idaho if no renovation is made. **Dir. Reynolds** explained there is no space usable in the building in its current state.

CARRIED: **AYES: 17.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Green, Nash.
NAYS: 2. Nate, Giddings.
ABSENT/EXCUSED: 1. Bair 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 **Sen. Agenbroad**, seconded by **Rep. Horman**, for FY 2021, that there is hereby appropriated and the State Controller shall transfer, \$2,300,000 from the General Fund to the Permanent Building Fund.

CARRIED: **AYES: 16.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Syme, Bundy, Green, Nash.
NAYS: 1. Giddings.
ABSENT/EXCUSED: 3. Bair, Amador, Nate 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. Agenbroad**, granted by unanimous consent, the following language shows was included:
SECTION _ . ACQUISITION OF PROPERTY. Of the total amount appropriated in Section _ of this act, no more than \$2,100,000 shall be used for the acquisition of the Carnegie Library at 815 W. Washington St., Boise, ID. The Department of Administration shall initiate purchase negotiations as soon as practicable and shall complete such purchase on behalf of and in the name of the state of Idaho.

ADJOURN: There being no further business to come before the Committee, **Chairman Youngblood** adjourned the Committee at 1:51 p.m.

Representative Youngblood
Chair

Anna Maria Mancini
Secretary