AGENDA
SENATE FINANCE COMMITTEE
UPON ADJOURNMENT OF JFAC COMMITTEE MEETING
Room C310
Friday, January 22, 2021

Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link: https://www.idahoptv.org/shows/idahoinsession/

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<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
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<tr>
<td>RS28169</td>
<td>Relating to a transfer to the Legislative Account</td>
<td>Paul Headlee, Division Manager, Legislative Services Office</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Bair        Sen Lent
Vice Chairman Agenbroad Sen Riggs
Sen Crabtree        Sen Cook
Sen Grow            Sen Ward-Engelking
Sen Woodward

COMMITTEE SECRETARY
Denise McNeil
Room: C305
Phone: 334-4735
Email: sfin@senate.idaho.gov
MINUTES
SENATE FINANCE COMMITTEE

DATE: Friday, January 22, 2021
TIME: UPON ADJOURNMENT OF JFAC COMMITTEE MEETING
PLACE: Room C310

MEMBERS
PRESENT: Chairman Bair, Vice Chairman Agenbroad, Senators Crabtree, Woodward, Lent, Riggs, Cook, and Nye.
ABSENT/EXCUSED: Senators Grow and Ward-Engelking

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENERED: Chairman Bair called the meeting of the Senate Finance Committee (Committee) to order at 9:20 a.m.

RS 28169 Relating to a transfer to the Legislative Account.

PRESENTATION: Paul Headlee, Division Manager of Legislative Services Office (LSO), Budget Policy, presented RS 28169 which relates to increased funding to the Legislative Account for the Idaho Senate and House of Representatives. In Idaho Code § 67-451, the State Controller is directed to make four transfers from the General Fund into the account totalling $6.755 million annually. A statutory change is required to increase the amount that is transferred each year, and this legislation would increase the transfers by $1.756 million annually, making the new annual total amount $8.511 million, a 26 percent increase.

Mr. Headlee said the fund has declined significantly over the past several years due to increased expenses stemming from interim committees, working groups and the special session last year. Previous increases were 29 percent in FY 2002 and 21 percent in FY 2009. There has been no increase in over 10 years. These funds are perpetually appropriated, do not revert back to the General Fund at the end of each fiscal year and doesn't require legislation each year. These transfers will be retroactive to January 1, 2021 with $1.324 million transferring in FY 2021, and $431,500 transferring in FY 2022.

DISCUSSION: The committee had questions regarding limits on expenditures, how the amount was chosen and the time-frame when this would need to be addressed again. Mr. Headlee stated there were no limits in statute, other than the allowable uses, so the account would be self-limiting. The Senate and House make their own decisions on use. Chairman Bair read from Line 23 of the bill to further explain. The Pro-Tem, who is responsible for the oversight, has been very conservative in managing the account. He stressed that the expenditures were available to all members, either in the Quarterly Report in his office or through the Transparent Idaho website. None of the funds are used for legal expenses.

Mr. Headlee stated that with this increase, there should be a sufficient balance to avoid a future deficit, and there would be no need to address this again for another six to eight years.
MOTION: Senator Nye moved to send RS 28169 to print. Senator Agenbroad seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business at this time, Chairman Bair adjourned the meeting at 9:48 a.m.

___________________________  ____________________________
Senator Bair                  Denise McNeil
Chair                         Secretary
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<td>S 1033</td>
<td>RELATING TO THE LEGISLATIVE ACCOUNT; to revise provisions regarding the transfer of funds.</td>
<td>Paul Headlee, Division Manager Budget &amp; Policy Analysis, Idaho Legislative Services Office</td>
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Public Testimony Will Be Taken by Registering Through the Following Link:
Registry to Testify

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

**COMMITTEE MEMBERS**
- Chairman Bair
- Vice Chairman Agenbroad
- Sen Crabtree
- Sen Grow
- Sen Woodward
- Sen Lent
- Sen Riggs
- Sen Cook
- Sen Ward-Engelking
- Sen Nye

**COMMITTEE SECRETARY**
- Denise McNeil
- Room: C305
- Phone: 334-4735
- Email: sfin@senate.idaho.gov
DATE: Thursday, January 28, 2021
TIME: 10:40 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Bair, Vice Chairman Agenbroad, Senators Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
ABSENT/EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: Chairman Bair called the meeting of the Senate Finance Committee (Committee) to order at 10:42 a.m.

S 1033 Relating to a Transfer to the Legislative Account.

PRESENTATION: Paul Headlee, Division Manager, Legislative Services Office (LSO), Budget and Policy Analysis Division; presented S 1033, which relates to increased funding to the Legislative Account for the Idaho State Senate and House of Representatives. In Idaho Code § 67-451, the State Controller is directed to make four transfers from the General Fund into the account totalling $6.755 million annually. A statutory change is required to increase the amount that is transferred each year, and this legislation would increase the transfers by $1.756 million annually, making the new annual total amount $8.511 million, a 26 percent increase.

Mr. Headlee said this account funds Legislative operations such as payroll, training, meals, lodging provision, supplies, and benefits. It is continuously appropriated, does not revert back to the General Fund at the end of the fiscal year, and does not require legislation each year. The last increase was over 10 years ago and the fund has declined significantly, requiring replenishment to meet its obligations. These transfers will be retroactive to January 1, 2021, with $1.324 million transferring in fiscal year (FY)2021 and $431,500 transferring in FY 2022.

DISCUSSION: The Committee asked for further clarification on the bill, and in response to those questions, Mr. Headlee explained:

• This bill would increase the account balance by $1.756 million annually;
• The account is continuously appropriated annually and its current total is $6.755 million;
• Continuous appropriation does not require legislation, however this increase does;
• This fund does not pay any legal fees and will not overlap with the Legal Defense Fund;
• The emergency clause was necessary due to the extremely low balance;
• The report referenced in the bill's fourth item can be found in Chairman Bair's office or online; and
• The agreed-upon split is 63 percent to the House and 37 percent to the Senate. Each house is responsible for management and budgeting of their portion of the fund.

Chairman Bair added that the expenditures increased due to salary increases, travel costs; and the special session that was originally scheduled for two days but actually ran for five.

MOTION: Senator Grow moved to send S 1033 to the floor with a do pass recommendation. Senator Agenbroad seconded the motion. The motion carried by voice vote.

Senator Woodward and Senator Ward-Engleking were recorded with a nay vote.

ADJOURNED: There being no further business at this time, Chairman Bair adjourned the meeting at 10:56 a.m.

___________________________
Senator Bair
Chair

___________________________
Denise McNeil
Secretary
AGENDA
SENATE FINANCE COMMITTEE
Upon Adjournment of JFAC Committee Meeting
Room C310
Tuesday, April 13, 2021
Limited public seating will be available in the committee room. For members of the public to observe the meeting, please click on the following link:
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<tr>
<td>RS28897C1</td>
<td>ARPA as Cognizable Funding and Creation of Funds for ARPA Appropriation and Expenditure</td>
<td>Paul Headlee, Division Manager, LSO</td>
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If you have written testimony, please provide a copy to the committee secretary.

COMMITTEE MEMBERS
Chairman Bair
Vice Chairman Agenbroad
Sen Crabtree
Sen Grow
Sen Woodward
Sen Lent
Sen Riggs
Sen Cook
Sen Ward-Engelking
Sen Nye

COMMITTEE SECRETARY
Denise McNeil
Room: C305
Phone: 334-4735
Email: sfin@senate.idaho.gov
DATE: Tuesday, April 13, 2021
TIME: 9:03 A.M.
PLACE: Room C310
MEMBERS PRESENT: Chairman Bair, Vice Chairman Agenbroad, Senators Crabtree, Grow, Woodward, Lent, Riggs, Cook, Ward-Engelking, and Nye
ABSENT/EXCUSED: None
NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.
CONVENED: Chairman Bair called the meeting of the Senate Finance Committee (Committee) to order at 9:03 a.m.

RS 28897C1 American Rescue Plan Act (ARPA) as Cognizable Funding and Creation of Funds for ARPA Appropriation and Expenditure. Paul Headlee, Division Manager, Legislative Services Office - Budget and Policy Analysis Division (LSO-BPAD), stated RS 28897C1 addressed the allocation and spending of the federal ARPA of 2021. He indicated that Section 1 of the bill defined any funding from ARPA directed to Idaho state agencies as cognizable and not subject to the provisions of Idaho Code § 67-3516 (2). He emphasized that as a result, the federal funds would require Legislative approval for appropriation for their expenditure. He added that the proposed bill would provide guiding principles on the appropriation and expenditure of ARPA funds.

In addition, Mr. Headlee said Sections 2 and 3 of RS 28897C1 would create two funds to appropriate and expend the federal ARPA subsidy. He noted the American Rescue Plan Fund is the primary fund for expending money from ARPA, and would account for all receipts and disbursements. He stated the American Rescue Plan Cost Recovery Fund would be used for cost recovery or reimbursement. He explained that expenditures from both funds would require allocation approval form the Legislature to allow better tracking and would separate the aforementioned funds from other federal funding such as Coronavirus Aid Relief and Economic Security (CARES) Act.

In conclusion, Mr. Headlee stated that Section 4 of the legislation provides an emergency clause that would enact RS 28897C1 upon its passage and approval.

DISCUSSION: Senator Ward-Engelking asked Mr. Headlee to clarify the funding availability and time lines of the programs included in ARPA funding. Mr. Headlee stated LSO-BPAD identified 46 programs in ARPA that would require Legislative approval for appropriation for expenditure by state agencies. He added there are provisions in ARPA that would establish specific spending deadlines or requests. However, the State is still waiting for further guidance from federal government on some ARPA programs.

MOTION: Senator Nye moved to send RS 28897C1 to print. Vice Chairman Agenbroad seconded the motion.

DISCUSSION: Senator Ward-Engelking expressed concerns about the requirement for Legislative approval of appropriation on all ARPA funding. She stated families and businesses need immediate financial aid from the State due to the COVID-19 pandemic.
VOICE VOTE: The motion carried by voice vote. Senator Ward-Engelking was recorded as voting nay.

ADJOURNED: There being no further business at this time, Chairman Bair adjourned the meeting at 9:14 a.m.

___________________________   _______________________
Senator Bair                     Rellie Wisdom
Chair                            Secretary