

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, January 14, 2022

TIME: 8:01 A.M.

PLACE: Room C310

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

**ABSENT/
EXCUSED:** Ward-Engelking, Amador

Co-Chairman Youngblood called the meeting to order at 8:01 a.m.

Sen. Crabtree and **Rep. Troy**, co-Chairs of the Economic Outlook, Revenue, and Assessment Committee, presented a report based on the data and testimony of economic, business, and industry experts in Idaho. Sen. Crabtree stated the committee's concerns include how Covid continues to impact Idaho's economy; uncertainty about inflation; federal banking policy; a potential rise in interest rates; the population growth of the state; recent labor shortages; questions regarding one-time federal monies; and questions regarding ongoing revenues.

Rep. Troy thanked all who participated in the work of the committee. The committee projects total General Fund revenues in FY 2022 of \$5.19B and in FY 2023, \$5.64B. The committee continues to be concerned about volatility in the economy, uncertain about the impact of federal funds, and deciphering between one-time and ongoing funds; they are cautiously optimistic about the future.

**UNANIMOUS
CONSENT
REQUESTED:** **Sen. Crabtree** requested and it was granted by unanimous consent, the Joint Finance & Appropriations Committee accepted the report of the Economic Outlook, Revenue, and Assessment Committee.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy Analysis, stated the General Fund baseline revenue forecast differs somewhat from the General Fund budgeted revenue forecast.

In response to committee questions, **Mr. Bybee** clarified that the reduction in projected 2022 income tax revenues are the result of legislation passed last year; they do not include the Governor's newly proposed income tax cut. Mr. Bybee referred the committee to the LBB to see all the ways the transfers are tracked.

Mr. Bybee explained the General Fund Daily Update, also known as the Green Sheet. This document helps JFAC track the General Fund expenditures in comparison to the revenue number accepted by the committee. JFAC typically reviews these numbers before the budget setting process.

In response to committee questions, **Mr. Bybee** clarified in the beginning of the legislative session, the Green Sheet is updated weekly with occasional exceptions; during the budget setting phase, it is updated daily.

Mr. Rob Sepich, Senior Analyst, LSO, presented a Deficiency Warrant Request from the Department of Environmental Quality. The department requests funds to reimburse actual expenditures incurred in FY 2021 for the cleanup of 2500 waste tires that were declared a public nuisance by the City of Dubois. This is the first known instance of the deficiency warrant being issued under the Waste Tire Disposal Act and has been carried out under the deficiency warrant authority provided in Section 39–6502(3), Idaho Code. This funding removed tires in the critical fire hazard area near the boundary lines of the property or adjacent to other buildings; however, it did not remove all the tires on the property. The department anticipates additional waste tires will need to be disposed of in FY 2022.

**UNANIMOUS
CONSENT
REQUESTED:**

Rep. Colin Nash requested and it was granted by unanimous consent, the FY 2022 budget for the Department of Environmental Quality was reopened.

MOTION:

Rep. Nash made a motion, seconded by **Sen. Crabtree**, for the Department of Environmental Quality in the Waste Management and Remediation Program, a one-time appropriation and transfer of \$25,000 from the General Fund to the continuously appropriated Waste Tire Disposal Warrant Fund for FY 2022.

In response to a question from the committee, **Mr. Sepich** specified there was no person or entity who could be held responsible for the tire cleanup costs. The tires were stockpiled on the property by a bad actor, creating a public nuisance. The city of Dubois did not have the funding available to deal promptly with the public nuisance, which was creating a substantial fire hazard. The city appealed to the state and were granted these funds by the Board of Examiners.

**VOTE ON
MOTION:**

Motion carried by a vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. AYES: 16. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Nye, Youngblood, Troy, Horman, Syme, Bundy, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 2** Ward-Engelking, Amador.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood**.

Mr. Rob Sepich presented a Deficiency Warrant Request from the Department of Agriculture. The department requested funds to reimburse actual expenditures incurred in FY 2021 for exotic or invasive species monitoring and mitigation, including Japanese Beetles and other exotic pests. The existence of exotic or invasive pests in the state, and the lack of information about the distribution of those pests, can cause economic losses to the public by the direct effects of the pests and the placement of quarantines and import restrictions by other states and countries. These programs are carried out under the deficiency warrant authority provided in Chapters 19 and 20, Title 22, Idaho Code. In FY 2020 and prior, costs for grasshopper and Mormon cricket treatments were covered by a onetime federal grant that had sustained those programs since 2004; that funding has since been depleted.

**UNANIMOUS
CONSENT
REQUESTED:**

Sen. Crabtree requested and it was granted by unanimous consent, the FY 2022 budget for the Department of Agriculture was reopened.

MOTION: **Sen. Crabtree** made a motion, seconded by **Rep. Nash**, for the Department of Agriculture, a one-time appropriation and transfer of \$368,400 from the General Fund to the continuously appropriated Pest Control Deficiency Warrant Fund for FY 2022. **Motion carried by a vote of 17 AYES, 1 NAY, 2 ABSENT/EXCUSED.** **AYES: 17.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Nye, Youngblood, Troy, Horman, Syme, Bundy, Giddings, Green, Nash. **NAYS: 1.** Nate. **ABSENT/EXCUSED: 2.** Ward-Engelking, Amador.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood.**

Mr. Matt Farina, Analyst, LSO, presented a Deficiency Warrant Request from Military Division of the Office of the Governor. The department requested funds be transferred from the General Fund to the Hazard Substance Emergency Response Fund to reimburse the expenditures incurred during FY 2021 for hazardous material cleanup projects. These programs are carried out under the statutory authority provided in Chapter 71, Title 39, Idaho Code.

UNANIMOUS CONSENT REQUESTED: **Rep. Syme** requested and it was granted by unanimous consent, the FY 2022 budget for the Military Division was reopened.

MOTION: **Rep. Syme** made a motion, seconded by **Sen. Woodward**, for the Military Division, in the Office of Emergency Management Program, a one-time appropriation and transfer of \$12,000 from the General Fund to the continuously appropriated Hazard Substance Emergency Response Fund for FY 2022. **Motion carried by a vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED.** **AYES: 18.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Nye, Youngblood, Troy, Horman, Syme, Giddings, Nate, Bundy, Green, Nash. **NAYS: 0.** **ABSENT/EXCUSED: 2.** Ward-Engelking, Amador.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Youngblood.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 8:43 a.m.

Representative Youngblood
Chair

Alyson Jackson
Secretary