

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Wednesday, February 09, 2022

**TIME:** 8:00 A.M.

**PLACE:** Room C310

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

**ABSENT/  
EXCUSED:** Senator Woodward  
Representative Horman

**CONVENED:** **Co-Chairman Agenbroad** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:02 a.m.

**AGENCY  
PRESENTATION:** **CAREER TECHNICAL EDUCATION (CTE), Clay Long, Administrator; Janet Jessup, Legislative Services Office (LSO) Senior Budget and Policy Analyst**

**Ms. Jessup** explained that CTE is a distinctly appropriated division under the State Board of Education and consists of five budgeted programs. Personnel costs are the largest portion of the appropriation, of that portion 89 percent of the personnel costs are with the Postsecondary Programs, which includes monies that are sent out to the six technical colleges. She discussed the postsecondary, secondary, and general programs for fiscal year (FY) 2017 through 2021 appropriations versus expenditures. **Ms. Jessup** expanded on the fact that 29 percent of the total appropriation for CTE goes directly to high schools and middle school programs, with 58 percent going to postsecondary programs, (see attachment 1).

**Mr. Long** presented CTE's mission is to prepare Idaho's youth and adults for highly skilled, in demand careers. He pointed out several secondary and postsecondary successes CTE has accomplished recently and within the last five years overall; including the Governor's Building Idaho's Future initiative which supported them awarding over 65 grants to postsecondary and secondary programs. **Mr. Long** outlined CTE's FY 2022 supplemental requests, to move funds from operating expenditures to personnel costs, service training through the Inspire Ready program, and to better align to the reorganization in preparation for Luma. He also detailed its FY 2023 line item requests, (see attachment 2).

**AGENCY  
PRESENTATION:**

**SMALL BUSINESS DEVELOPMENT CENTERS (SBDC), Doug Covey, State Director; Janet Jessup, LSO Senior Budget and Policy Analyst**

**Ms. Jessup** described that SBDC, and TechHelp, are budgeted as part of the Division of Special Programs, a division consisting of six different distinctly appropriated programs under the State Board of Education. For budgetary purposes, SBDC and TechHelp are “housed” at Boise State University. The primary source of their funds are grants that are then utilized and rolled out for services to members of the public and business community. (See attachment 3.)

**Mr. Covey** proudly stated in 2021, Idaho SBDC directly supported 3,226 jobs and \$40 million in sales from Idaho businesses, impacted Idaho's economy to increase its output by \$774 million, supporting over 5,412 jobs that created \$17 million in state tax revenues (see attachment 4). This is a 25 times return on investment. **Mr. Covey** explained SBDC creates this impact by offering no cost professional, confidential, one-on-one consulting to Idaho businesses to build their skill sets and connect with other entrepreneurs. He detailed its highlights and initiatives, and discussed its FY 2023 budget request.

**DISCUSSION:**

In response to Committee questions, **Mr. Covey** discussed SBDC's collaboration with the Department of Commerce, its business loan program, and its partnership with state universities working on research programs.

**AGENCY  
PRESENTATION:**

**TECHHELP, Steve Hatten, Executive Director; Janet Jessup, LSO Senior Budget and Policy Analyst**

**Mr. Hatten** stated TechHelp is made up of Idaho manufacturing specialists who help manufacturers turn their ideas into real products, and is headquartered at Boise State University in the College of Business and Economics, with offices around the state. He explained the program, its appropriation funds, how it invests, and other funds it leverages to help Idaho manufacturers. **Mr. Hatten** detailed how manufacturing is important to Idaho's economy with, among other things, Idaho's GDP being \$84.9 billion. He reviewed its FY 2023 budget request and the projects it would fund (see attachment 5).

**AGENCY  
PRESENTATION:**

**IDAHO DEPARTMENT OF COMMERCE (DOC), Tom Kealey, Director of Commerce; Matt Farina, LSO Budget and Policy Analyst**

**Mr. Farina** explained DOC's main mission is to aid in job creation, support existing companies, strengthen communities, and promote Idaho. It also houses the Idaho Broadband Advisory Board which is responsible for creating a statewide broadband plan. **Mr. Farina** summarized the appropriations and expenditures from FY 2018 through 2022, with, on average, reverting \$13 million, or 28 percent, of their available appropriation. Additionally, in FY 2021, the agency received a \$62.5 million non-cognizable increase from the CARES Act, of which \$4.1 million was for Community Development Block grants, \$50 million was for broadband grants, and \$6 million was for promotion and marketing of Idaho. **Mr. Farina** summarized the broadband grants distributed in FY 2021 to 54 recipients, for a total of \$42.5 million (see attachment 6). He informed the Committee there were no open audit findings.

**Mr. Kealey** presented how the DOC fosters a business friendly environment to aid job creation, support existing companies, strengthen communities, and market Idaho to grow and expand its economy by supporting the expansion and retention of Idaho businesses, and attract new businesses to the state. He explained DOC's various projects to attract and expand jobs and investment, to grow tourism, expand broadband, and create new business opportunities, among many other functions. **Mr. Kealey** discussed its FY 2022 \$2 million supplemental from the General Fund to transfer into the Opportunity Fund and its purpose. He also detailed and explained each line item in DOC's FY 2023 budget request. (See attachment 7.)

**DISCUSSION:**

In response to Committee questions, **Mr. Kealey** discussed the tourism and promotion enhancement, broadband infrastructure, and the temporary COVID-19 monies used for staffing. **Matt Borud**, Marketing and Innovation Administrator, DOC, discussed the two percent lodging tax. **Eric Forsch**, Broadband Development Manager, DOC, discussed the Capitol Projects Fund and infrastructure bill requirements

**AGENCY  
PRESENTATION:**

**IDAHO DEPARTMENT OF LABOR (IDOL), Jani Revier, Director;  
Matt Farina, LSO Budget and Policy Analyst**

**Mr. Farina** explained that IDOL has three budgeted programs: Determinations, Workforce and Commissions, and Administrative Services. Its core functions are to provide services to job seekers and businesses, provide benefits to eligible workers who lose their job through no fault of their own, to provide labor market and economic data on a local and state level to assist the Social Security Administration in administering disability claims, to prevent discrimination in connection with employment, and public accommodations. **Mr. Farina** summarized the actual expenditures from FY 2017 through 2021, explaining IDOL's primary source of funds is federal, with their dedicated funds generated by penalties, interest fees, and services. He stated the appropriations are adequate to cover any unexpected issues faced. **Mr. Farina** reviewed the amount of unemployment benefits paid for FY 2017 through 2021, explaining the large increase in 2020 and 2021 due to the pandemic (see attachment 8).

**Ms. Revier** summarized the events over the last year the IDOL has dealt with, from ensuring out of work Idahoans received the benefits they were entitled to, watching unemployment steadily drop, and currently the severe worker shortage equalling two job openings available for every unemployed person. She discussed the various services provided by IDOL, their locations throughout the state, training opportunities, and services they provide to help businesses. **Ms. Revier** went into detail about IDOL's Workforce Programs, the Unemployment Insurance Equity Grant, and their Unemployment Insurance Fraud Department which investigates fraud and overpayments. She summarized IDOL's FY 2023 budget request and summarized its line item requests, highlighting the improvements that are scheduled to be made within areas of infrastructure, customer support, personnel costs, and operating expenditures (see attachment 9).

**DISCUSSION:**

In response to Committee questions, **Ms. Revier** clarified the unemployment insurance overpayments regarding amounts, and fraudulent versus non-fraudulent payments; the Pandemic Unemployment Assistance program; state liability for federal funds from the Lost Wages Assistance program and FEMA Disaster Recovery Grant; information technology modernization details; and securing of citizens' personal identification information.

**Jeff Weak**, Administrator, Office of Information Technology Services, discussed the information technology personnel, what services the IDOL is receiving, and the planned consolidation of technology services.

**AGENCY  
PRESENTATION:**

**IDAHO WORKFORCE DEVELOPMENT COUNCIL (WDC), Wendi Secrist, Executive Director; Matt Farina, LSO Budget and Policy Analyst**

**Mr. Farina** explained the goals and objectives of the WDC include increasing public awareness of available training and education, maintaining a skilled workforce, ensuring the efficient use of workforce resources, meeting the requirements of the Workforce Investment Board, and overseeing the Workforce Training Fund. WDC was first appropriated in FY 2019 and has no General Fund impact since its dedicated fund revenue comes from three percent of the unemployment insurance tax.

**Mr. Farina** summarized for FY 2021 it had a line item for \$4.3 million to award additional training grants and most of this money was reappropriated into FY 2022, and the agency received \$749,000 this year for youth apprenticeship grants. He reviewed the appropriations and expenditures for FY 2019 through FY 2022 explaining the two increases (see attachment 10). WDC had an issue distributing money due to the pandemic and the reduction of workforce training programs. He informed the Committee there were no open audit findings.

**Ms. Secrist** reviewed the WDC has 34 members appointed by the Governor with 50 percent of members from the private sector representing many different industries. In addition to WDC members, it works through 7 committees, totalling 57 members. She detailed the implementation of the two programs that were approved by the Committee last year, and the three line item requests for FY 2023: an administrative assistant, workforce training, and childcare infrastructure grants (see attachment 11). **Ms. Secrist** discussed the grants awarded through WDC's overseeing of the Workforce Development Training Fund, a dedicated fund derived from a three percent transfer of unemployment insurance taxes paid by Idaho's employers.

**ADJOURNED:**

There being no further business before the Committee, **Co-Chairman Agenbroad** adjourned the meeting at 10:46 a.m.

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Senator Agenbroad  
Chair

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Erin Miller  
Secretary