

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 18, 2022
TIME: 8:00 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, Lesmeister (Green), Nash

**ABSENT/
EXCUSED:** None

Co-Chairman Youngblood called the meeting to order at 8:02 a.m.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy Analysis, stated the committee must set fiscal year revenue numbers to begin the process of making statewide budget decisions. Mr. Bybee presented the FY 2022 Governor's General Fund revenue forecast and the Economic Outlook & Revenue Assessment Committee's General Fund recommendation of \$5,190,432,800.

MOTION: **Sen. Crabtree** made a motion, seconded by **Rep. Troy**, for FY 2022, to adopt a General Fund revenue projection of \$5,190,432,800.

SUBSTITUTE MOTION: **Rep. Nate** made a substitute motion, seconded by **Rep. Giddings**, for FY 2022, to adopt a General Fund revenue projection of \$5,171,332,500.

Rep. Nate stated this revenue projection is 3.2% above the actual FY 2021 revenue.

VOTE ON SUBSTITUTE MOTION: **Substitute motion failed by a vote of 2 AYES, 18 NAYS, 0 ABSENT/EXCUSED. AYES: 2.** Giddings, Nate. **NAYS: 18.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Lesmeister (Green), Nash. **ABSENT/EXCUSED: 0.**

VOTE ON ORIGINAL MOTION: **Motion carried by a vote of 18 AYES, 2 NAYS, 0 ABSENT/EXCUSED. AYES: 18.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Lesmeister (Green), Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 0.**

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. Bybee presented the FY 2023 Governor's General Fund revenue forecast and the Economic Outlook & Revenue Assessment Committee's General Fund recommendation of \$5,464,002,100.

MOTION: **Sen. Crabtree** made a motion, seconded by **Rep. Troy**, for FY 2023, to adopt a General Fund revenue projection of \$5,464,002,100.

SUBSTITUTE MOTION: **Rep. Nate** made a substitute motion, seconded by **Rep. Giddings**, for FY 2023, to adopt a General Fund revenue projection of \$5,322,634,000.

**AMENDED
SUBSTITUTE
MOTION:**

Sen. Woodward made an amended substitute motion, seconded by **Sen. Riggs**, for FY 2023, to adopt a General Fund revenue projection of \$5,464,002,000.

**VOTE ON
AMENDED
SUBSTITUTE
MOTION:**

Amended substitute motion carried by a vote of 18 AYES, 2 NAYS, 0 ABSENT/EXCUSED. AYES: 18. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Lesmeister (Green), Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 0.**

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. Bybee presented a motion on personnel benefit costs.

MOTION:

Sen. Agenbroad made a motion, seconded by **Rep. Troy**, to increase the appropriated amount for health insurance per eligible full-time FTP by \$850 to \$12,500 and an increase for eligible part-time FTP by \$780 to \$10,000. Additionally, this includes a one-year holiday of unemployment insurance and adjustments to workers' compensation that vary by agency. Finally, the current PERSI benefit package should be maintained as well as a second year of the holiday for employers that contribute to the PERSI-managed sick leave plan. This motion adopts the Governor's and the Change in Employee Compensation Committee's FY 2023 recommendation.

The total cost for these items is for an increase of \$6,682,300 from the General Fund, \$5,097,300 from dedicated funds, and \$2,116,600 from federal funds, for a total of \$13,896,200.

**VOTE ON
MOTION:**

Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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. Bybee presented a motion on statewide cost allocation. He explained these adjustments help offset the fully borne costs on the General Fund by allowing for payments by dedicated and federal funds on the statewide cost allocation plan approved by the Department of Health and Human Services.

MOTION:

Sen. Agenbroad made a motion, seconded by **Rep. Troy**, for FY 2023, to include the Governor's recommendation adjusting Attorney General fees, State Controller fees, State Treasurer fees, and risk management costs, and an adjusted cost for the Office of Information Technology Services for a decrease of \$332,000 from the General Fund, a decrease of \$679,900 from dedicated funds, and an increase of \$303,500 from federal funds, for a total decrease of \$708,400.

**VOTE ON
MOTION:**

Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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. Bybee presented a motion for Change in Employee Compensation (CEC).

MOTION:

Rep. Syme made a motion, seconded by **Sen. Ward-Engelking**, for FY 2023, to adopt the Change in Employee Compensation Committee's recommendation to shift the compensation schedule for classified employees upward by 3% at the minimum, policy, and maximum pay rates in all pay grades with the exception of the minimum wage, would remain at \$7.25 per hour in pay grade D. Additionally, this motion provides a 3% salary increase to all permanent positions. Finally, this motion clarifies the committee motion for the \$1.25/hour funding for permanent employees by distributing the amount based on merit with the flexibility for agency heads and Institution Presidents to distribute funds for recruitment and retention purposes in hard-to-fill, hard-to-retain positions.

The total for these adjustments includes \$74,187,400 from the General Fund, \$38,513,000 from dedicated funds, and \$18,383,600 from federal funds for a total of \$131,084,000.

Rep. Syme stated this motion clarifies intent language for the salary adjustments. This motion clarifies the salary structure adjustments should be implemented first, then the merit adjustments.

In response to a committee question, **Rep. Syme** clarified the basis equivalent of this motion was 7%, not 6%. He stated the percentage was calculated providing a \$1.25/hour/FTE position in state government higher education, plus an equivalent adjustment for a DSP School for the Deaf and Blind and the public school classified and administrative positions.

SUBSTITUTE MOTION:

Rep. Nate made a substitute motion, seconded by **Rep. Giddings**, for FY 2023, to adopt the Governor's recommendation that the Legislature should fund a 5% CEC, with 2% distributed to all permanent employees and the remaining 3% distributed on merit, with flexibility allowed for agency heads and institution presidents to distribute those funds as they see fit. The totals for these adjustments include \$49,975,900 from the General Fund, \$25,616,400 from dedicated funds, and \$11,375,400 from the federal funds for a total of \$86,967,700.

Rep. Nate stated the CEC committee vote was narrow and within one vote of passing or failing the Governor's recommendation.

Sen. Ward-Engelking stated the CEC Committee narrowly defeated a vote in favor of a 7% raise; that issue was also decided by one vote, and even higher raises were discussed by the CEC Committee. She pointed out the Governor's recommendations were presented before the latest inflation data was released. **Sen. Ward-Engelking** explained it was the CEC Committee's intention to have employee salaries keep pace with the inflation rate, and these recommendations fell short of that goal.

Rep. Syme clarified the CEC Committee recommendation votes are always close; this year's narrow vote was not unusual. He pointed out our democracy operates with a 51% majority.

Sen. Woodward stated with 7.5% inflation and a tight labor market, the original motion reflected what the legislature needs to do to serve the constituents by ensuring retention of state employees and recruitment for vacant positions.

**VOTE ON
SUBSTITUTE
MOTION:**

Substitute motion failed by a vote of 5 AYES, 15 NAYS, 0 ABSENT/EXCUSED. AYES: 5. Crabtree, Horman, Amador, Giddings, Nate. **NAYS: 15.** Agenbroad, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Syme, Bundy, Lesmeister (Green), Nash. **ABSENT/EXCUSED: 0.**

**VOTE ON
ORIGINAL
MOTION:**

Motion carried by a vote of 15 AYES, 5 NAYS, 0 ABSENT/EXCUSED. AYES: 15. Agenbroad, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Syme, Bundy, Lesmeister (Green), Nash. **NAYS: 5.** Crabtree, Horman, Amador, Giddings, Nate. **ABSENT/EXCUSED: 0.**

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.**

Ms. Christine Otto, Senior Analyst, LSO Budget & Policy Analysis, presented a FY 2022 supplemental request from the Idaho Transportation Department. The Governor recommends a cash transfer of \$6.4M from the General Fund into the State Aeronautics (Dedicated) Fund for airport improvements. This also includes an appropriation from the State Aeronautics (Dedicated) Fund of \$6.4M. The recommended appropriation will provide awards to Idaho's seven primary airports, 100% support for community airport projects through the Idaho Airport Aid Program, and capital improvements at the division's managed airfields. Ms. Otto explained the motion for the cash transfer from the General Fund to the Aeronautics dedicated fund must come first, and then the motion for appropriation.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. Grow requested and it was granted by unanimous consent, the FY 2022 budget for the Idaho Transportation Department was reopened.

MOTION:

Sen. Grow made a motion, seconded by **Rep. Bundy**, for FY 2022, for the Idaho Transportation Department, in the Aeronautics Program, the appropriation and transfer of \$6,400,000 from the General Fund to the State Aeronautics (Dedicated) Fund.

**VOTE ON
MOTION:**

Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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.**

MOTION:

Sen. Grow made a motion, seconded by **Rep. Bundy**, for FY 2022, for the Idaho Transportation Department, in the Aeronautics Program, an additional \$6,400,000 onetime from the State Aeronautics (Dedicated) Fund.

**VOTE ON
MOTION:**

Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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.**

Ms. Otto presented a FY 2022 supplemental request from the Idaho Transportation Department for contract construction and right-of-way acquisition. The Governor recommends five cash transfers totaling \$247M from the General Fund to the Strategic Initiatives Program and the GARVEE Debt Services Fund. Ms. Otto explained this funding would support railroad projects, including state and local rail crossings; pedestrian and safety projects; improvements to access the port of Lewiston; and discharge the only callable GARVEE bond. She further explained this action would take multiple motions.

In response to a committee question, **Ms. Otto** clarified these monies come from the General Fund and are separate from federal IJA funds. **Rep. Nate** asked if paying off this GARVEE bond would allow future GARVEE bonds. Ms. Otto replied while paying this debt allows more flexibility in the GARVEE Bond Service program, historically the Transportation Board has requested legislative approval for bonds. She pointed out the Transportation Board could legally bond up to 30% of its FHWA apportionment without legislative approval.

Sen. Grow asked if the Strategic Initiative Program would penalize Ada County for being proactive on necessary bridgework. **Mr. Alex Adams**, Administrator of the Division of Financial Management, assured Sen. Grow ACHD would receive its proportional share of the monies. Mr. Adams stated these monies are intended to fund economic development projects, not maintenance projects.

Mr. Adams further stated this funding is separate from IJA funding but noted 12.6% of federal dollars go to local projects, which is why the Governor recommends substantial state General Fund investment in local projects such as bridges, pedestrian projects, and so on.

MOTION:

Sen. Woodward made a motion, seconded by **Rep. Bundy**, for FY 2022, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, the appropriation and transfer of \$246,485,000 from the General Fund to three dedicated funds. Of the total transfer, \$18,000,000 is transferred to the Strategic Initiatives Program (Dedicated) Fund, \$210,000,000 is transferred to the Strategic Initiatives Program (Local) Fund, and \$18,485,000 is transferred to the ITD-GARVEE Debt Service Fund.

Sen. Woodward commented this funding for local bridge projects was a necessary beginning to restore and maintain infrastructure at the end of its design life. He noted the backlog of deferred maintenance is estimated at \$600M.

VOTE ON MOTION:

Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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**.

MOTION:

Sen. Woodward made a motion, seconded by **Rep. Bundy**, for FY 2022, for the Idaho Transportation Department, in the Contract Construction and Right-of-Way Acquisition Program, an additional \$18,000,000 from the Strategic Initiatives Program (Dedicated) Fund and \$210,000,000 from the Strategic Initiatives Program (Local) Fund, for a total of \$228,000,000 all onetime.

VOTE ON MOTION:

Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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**.

Ms. Otto presented a FY 2022 supplemental request from the Division of Human Resources (DHR). DHR requests four FTP and \$174K for additional staff to support the Governor's HR Modernization initiative. Of the total, \$153K is ongoing personnel costs, \$20K is for onetime capital outlay, and the four FTP are requested as transfers from the Department of Labor, Division of Veterans Services, Water Resources, and the Idaho Division of Juvenile Corrections. All four agencies have a corresponding line item with a reduction of a vacant FTP and no associated funding. The Governor's revised recommendation totaled 5.00 FTP and \$218,600, and an additional FTP from the Division of Occupational and Professional Licenses (DOPL). The HR Modernization Initiative includes the consolidation and centralization of HR staff and HR functions to DHR. The agency states these positions will assist in the planning and implementation of the HR modernization initiative. If approved, the personnel costs will be used in FY 2022 and an annualization of \$356K is requested for FY 2023.

UNANIMOUS CONSENT REQUEST:

Sen. Cook requested and it was granted by unanimous consent, the FY 2022 budget for the Division of Human Resources was reopened.

MOTION:

Sen. Cook made a motion, seconded by **Sen. Grow**, for FY 2022, for the Division of Human Resources, 5.00 FTP and \$193,200 ongoing and \$25,400 onetime, for a total of five FTP and \$218,600 from the Division of Human Resources Fund.

VOTE ON MOTION:

Motion carried by a vote of 15 AYES, 5 NAYS, 0 ABSENT/EXCUSED. AYES: 15. Agenbroad, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Lesmeister (Green). **NAYS: 5.** Crabtree, Syme, Giddings, Nate, Nash. **ABSENT/EXCUSED: 0.**

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 Budget & Policy Analysis, presented a FY 2022 supplemental request from the Military Division. The Governor recommends \$5.7M onetime from the General Fund for projects to enhance the services provided by Public Safety Communications, a department with the Idaho Military Division. The recommended appropriation includes \$1,318,000 to upgrade infrastructure for mapping related to the Next Generation 9-1-1 Program and \$4,382,000 for maintenance and upgrades to the state microwave radio system. These upgrades would impact mapping and communications for first responders and support agencies. Mr. Farina noted the Governor recommends reappropriation authority for these funds into FY 2023.

UNANIMOUS CONSENT REQUEST:

Sen. Woodward requested and it was granted by unanimous consent, the FY 2022 budget for the Military Division was reopened.

MOTION: **Sen. Woodward** made a motion, seconded by **Rep. Syme**, for FY 2022, for the Military Division, in the Military Management Program, the onetime appropriation of \$5,700,000 from the General Fund.

VOTE ON MOTION: **Motion carried by a vote of 20 AYES, 0 NAYS, 0 ABSENT/EXCUSED. AYES: 20.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Lesmeister (Green), Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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. Farina presented a FY 2022 supplemental request from the Military Division. The Governor recommends \$300K onetime from the General Fund for a contracted fire consultant to review and evaluate state wildfire spending through the Federal Fire Management Assistance Grant. Mr. Farina noted the Governor recommends reappropriation authority for these funds into FY 2023.

In response to a committee question, **Mr. Adams** confirmed this appropriation will go through the competitive bid process.

MOTION: **Rep. Syme** made a motion, seconded by **Sen. Woodward**, for FY 2022, for the Military Division, in the Office of Emergency Management Program, the onetime appropriation of \$300,000 from the General Fund.

Sen. Crabtree expressed concern about multiple departments requesting funds for fire efficiency consultants. He spoke against the motion.

VOTE ON MOTION: **Motion carried by a vote of 14 AYES, 6 NAYS, 0 ABSENT/EXCUSED. AYES: 14.** Agenbroad, Grow, Woodward, Riggs, Cook, Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Lesmeister (Green). **NAYS: 6.** Crabtree, Lent, VanOrden (Bair), Giddings, Nate, Nash. **ABSENT/EXCUSED: 0.**

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**.

Co-Chairman Youngblood reminded the committee of the daily 7:30 a.m. preparation meeting during the budget setting period. He noted Monday, February 21st, is the annual 4-H breakfast; therefore the preparation meeting will be held at 8:30 a.m. and the JFAC meeting will begin at 9 a.m.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 8:55 a.m.

Representative Youngblood
Chair

Alyson Jackson
Secretary