

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 21, 2022

TIME: 9:00 A.M.

PLACE: Room C310

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

ABSENT/ EXCUSED: Representative Amador

CONVENED: **Co-Chairman Agenbroad** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 9:00 a.m. and re-ordered the sequence of the agenda.

LSO STAFF PRESENTATION: **FISCAL YEAR (FY) 2023 BUDGET SETTING GENERAL FUND DAILY UPDATE; Keith Bybee, Legislative Services Office (LSO) Division Manager**
Mr. Bybee discussed the General Fund Budget Update sheet, specifically line item five which had been updated using the revenue projections set on February 18, 2022, causing a \$19 million difference between the Governor's revised recommendation and legislative action (see attachment 1). He outlined line 55 with the Governor's revised recommendation FY 2022 estimated ending balance being \$214,193,200, and the Legislative Action being \$1,379,976,800, pointing out that number will be adjusted daily. **Mr. Bybee** reminded the Committee to be watchful of the various expenditures and appropriations, making sure that decisions are made that are sustainable in the future. He pointed out that page three lists agency by agency appropriations and LSO will keep a running tally of Committee action. **Mr. Bybee** discussed bills recently signed into law, and ones currently being voted upon and expected to pass, and their ongoing potential impact to FY 2023 and FY 2024 budgeted General Funds.

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR, OFFICE OF SPECIES CONSERVATION (OSC); Rob Sepich, LSO Senior Budget and Policy Analyst**
Mr. Sepich reviewed that the OSC is technically under the Governor's office, and has a standalone budget. He stated originally there were three program maintenance line items that were requested and recommended by the Governor.

MOTION: Moved by **Representative Nash** beginning with the FY 2023 base of \$14,585,700, add \$7,100 for benefit costs, remove \$11,100 for statewide cost allocation, and add \$80,200 for the change in employee compensation. Also included are the following line items: line item 1, which provides \$75,000 onetime for the Sage Grouse Study; line item 2, which provides \$25,000 for travel costs; and line item 47, which provides \$5,000,000 from federal funds for salmon migration projects. The totals for this motion for FY 2023 are 15.00 full-time equivalent positions (FTP), \$1,690,600 from the General Fund, \$15,000 from dedicated funds, and \$18,056,300 from federal funds for a grand total of \$19,761,900; seconded by **Senator Cook**.

CARRIED: **AYES: 17**
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Green, and Nash

NAYS: 2
Representatives Giddings and Nate

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

LSO STAFF PRESENTATION: **SOIL AND WATER CONSERVATION COMMISSION (SWCC); Rob Sepich, LSO Senior Budget and Policy Analyst**

Mr. Sepich explained the SWCC is technically housed underneath the Department of Agriculture, and has its own separate budget, originally with two requested line items. He stated the Governor also recommended small adjustments for personnel costs.

MOTION: Moved by **Representative Troy** beginning with the FY 2023 base of \$3,369,800, add \$8,500 for benefit costs, \$600 for inflationary adjustments, \$9,600 for replacement items, remove \$34,100 for statewide cost allocation, and add \$92,800 for the change in employee compensation. Also included are the following line items: line item 1, which provides \$80,300 for additional district pass-through funding; line item 2, which provides \$264,000 for state match for the Conservation Reserve Enhancement Program paid to landowners; and lastly line item 47, which provides 1.00 FTP and \$1,693,900 for funding passed through from the Natural Resources Conservation Service as part of the Infrastructure Investment and Jobs Act. The totals for this motion for FY 2023 are 18.75 FTP, \$3,370,200 from the General Fund, \$414,900 from dedicated funds, and \$1,700,300 from federal funds, for a grand total of \$5,485,400; seconded by **Senator Crabtree**.

DISCUSSION: In response to Committee questions, **Representative Troy** discussed that the state has been enrolled in a matching Conservation Reserve Enhancement Program which requires irrigated cropland in the Eastern Snake River Plain Aquifer and reduces the consumptive use of groundwater. This is the state's match to that program, which was inadvertently left out of the request.

CARRIED: **AYES: 17**
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Green, and Nash

NAYS: 2
Representatives Giddings and Nate

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

**UNANIMOUS
CONSENT:**

Requested by **Representative Troy**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION _ : TRUSTEE AND BENEFIT PAYMENTS DISTRIBUTION. Of the amount appropriated in Section 1 of this act for trustee and benefit payments, \$300,000 shall be distributed equally between the fifty (50) soil and water conservation districts in addition to the amounts authorized under Section 22-2727, Idaho Code.

Section _ : REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Soil and Water Conservation Commission any unexpended and unencumbered balances appropriated to the Soil and Water Conservation Commission from the General Fund for the Water Quality Program for Agriculture for fiscal year 2022, in an amount not to exceed \$10,000,000 from the General Fund, to be used for nonrecurring expenditures related to the Water Quality Program for Agriculture for the period July 1, 2022, through June 30, 2023. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

**LSO STAFF
PRESENTATION:**

ENDOWMENT FUND INVESTMENT BOARD (EFIB); Rob Sepich, LSO Senior Budget and Policy Analyst

Mr. Sepich explained the EFIB is categorically structured underneath the Department of Lands, State Board of Land Commissioners, although it does have a separate Board and budget. He reviewed its mission being to maximize investments of land grant endowment funds, the State Insurance Funds, and investments for the Department of Parks and Recreation, Environmental Quality, and Fish and Game. There were no line items requested or recommended, and there are transfers that are made from each of the endowment funds into the agencies that actually use them.

MOTION:

Moved by **Senator Cook** beginning with the FY 2023 base of \$786,800, add \$1,500 for benefit costs, \$2,800 for inflationary adjustments, \$2,000 for replacement items, remove \$3,000 for statewide cost allocation, and add \$28,400 for the change in employee compensation. Also included is line item 1, which provides \$15,000 for an additional raise for the manager of investments for FY 2023. The totals for this motion for FY 2023 are 4.00 FTP and a grand total of \$833,500; seconded by **Representative Youngblood**.

DISCUSSION:

Senator Cook discussed the line item 1 increase to the salary for the Manager of Investments, to roughly \$235,000 annually, and overall that this budget is a 5.7 percent increase over the FY 2022 original appropriation. He provided supporting background that in 2019 the EFIB contacted the chief investment officers from other land grant trust fund states, and participated in various surveys, to collect compensation information; after receiving data from several states, it was made clear that the Manager of Investments' current compensation was significantly below market. He detailed the increase in line item 1 would bring Idaho up to the lowest salary amount for surrounding areas.

CARRIED: **AYES: 19**
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Giddings, Nate, Green, and Nash

NAYS: 0

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

UNANIMOUS CONSENT: Requested by **Senator Cook**, granted by unanimous consent, the following intent language was adopted:

INTENT LANGUAGE: SECTION _ : CONTINUOUS APPROPRIATION. The Endowment Fund Investment Board is hereby granted continuous appropriation authority for consulting fees, custodial fees, investment manager fees, and other portfolio-related external costs for the period July 1, 2022, through June 30, 2023.

SECTION _ : TRANSFERS FROM EARNINGS RESERVE FUNDS. For fiscal year 2023, it is hereby appropriated and the Endowment Fund Investment Board shall transfer \$100,315,000 as follows: \$61,532,200 from the Public School Earnings Reserve Fund to the Public School Income Fund; \$1,927,500 from the Agricultural College Earnings Reserve Fund to the Agricultural College Income Fund; \$7,008,000 from the Charitable Institutions Earnings Reserve Fund to the Charitable Institutions Income Fund; \$6,568,700 from the Normal School Earnings Reserve Fund to the Normal School Income Fund; \$3,139,600 from the Penitentiary Earnings Reserve Fund to the Penitentiary Income Fund; \$6,672,700 from the Scientific School Earnings Reserve Fund to the Scientific School Income Fund; \$7,586,400 from the Mental Hospital Earnings Reserve Fund to the Mental Hospital Income Fund; and \$5,879,900 from the University Earnings Reserve Fund to the University Income Fund.

LSO STAFF PRESENTATION: **STATE INDEPENDENT LIVING COUNCIL (SILC); Jill Randolph, LSO Senior Budget and Policy Analyst**

Ms. Randolph reviewed that SILC is actively engaged in activities that assist Idahoans across both disabilities and lifespan to have a greater voice in obtaining services that are consumer responsive, cost effective, and community based. It has four FTP and one budgeted program.

MOTION: Moved by **Representative Bundy** beginning with the FY 2023 base of \$662,600, add \$2,300 for benefit costs, add \$800 for inflationary adjustments, remove \$500 for statewide cost allocation, and add \$20,400 for the change in employee compensation. The totals for this motion for FY 2023 are 4.00 FTP, \$237,700 from the General Fund, \$389,000 from dedicated funds, and \$58,900 from federal funds for a grand total of \$685,600; seconded by **Senator Cook**

CARRIED: **AYES: 19**
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Giddings, Nate, Green, and Nash

NAYS: 0

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

LSO STAFF PRESENTATION: **COMMISSION ON AGING FY 2022 SUPPLEMENTAL - SENIOR CENTER SUPPORT; Jill Randolph, LSO Senior Budget and Policy Analyst**

Ms. Randolph reviewed that this budget is a fiscal current year one time supplemental from the General Fund for \$5 million to provide additional support for senior centers across the state, including one time repairs or upgrades.

UNANIMOUS CONSENT: Requested by **Senator Ward-Engelking**, granted by unanimous consent, the FY 2022 budget for the Commission on Aging was reopened.

MOTION: Moved by **Senator Ward-Engelking** for FY 2022 for the Commission on Aging, an additional \$5,000,000 in one time trustee and benefit payments from the General Fund for the purpose of senior center support; seconded by **Representative Bundy**.

DISCUSSION: **Senator Ward-Engelking** explained the budget, among other things, will provide additional home meal delivery, upgrade refrigerators and freezers, and add or repair wheelchair ramps, to help seniors maintain quality of life as they age.

CARRIED: **AYES: 17**
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Green, and Nash

NAYS: 2
Representatives Giddings and Nate

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

LSO STAFF PRESENTATION: OFFICE OF THE GOVERNOR - IDAHO COMMISSION ON AGING (ICOA); Jill Randolph, LSO Senior Budget and Policy Analyst

Ms. Randolph reviewed that this budget is the FY 2023 original appropriation for ICOA, which is organized within the Office of the Governor with one budgeted program. She detailed the ICOA plans, coordinates, and promotes a statewide network designed to support Idahoans with healthy and dignified lives in the communities of their choice.

MOTION: Moved by **Senator Ward-Engelking** beginning with the FY 2023 base of \$13,786,400, add \$6,900 for benefit costs, \$11,300 for statewide cost allocation, and \$70,800 for the change in employee compensation. Also included are the following line items: line item 1, which provides 1.00 FTP and \$78,200 for a training specialist; line item 2, which provides \$380,100 for COVID-19 response; line item 3, which provides \$4,681,700 for a service enhancement; and line item 4, which provides \$720,000 for dementia caregiver support. The totals for this motion for FY 2023 are 14.00 FTP, \$5,318,400 from the General Fund and \$14,417,000 from federal funds for a grand total of \$19,735,400; seconded by **Representative Bundy**.

CARRIED: AYES: 17
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Green, and Nash

NAYS: 2
Representatives Giddings and Nate

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

UNANIMOUS CONSENT: Requested by **Senator Ward-Engelking**, granted by unanimous consent, the following intent language was adopted:

INTENT LANGUAGE: SECTION . REAPPROPRIATION AUTHORITY. There is hereby reappropriated any unexpended and unencumbered balances appropriated to the Commission on Aging from the General Fund for the purpose of senior center support for fiscal year 2022, in an amount not to exceed \$5,000,000, to be used for nonrecurring expenditures related to senior center support for the period July 1, 2022, through June 30, 2023. The Office of the State Controller shall confirm the reappropriation amount, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

LSO STAFF PRESENTATION: STATE BOARD OF EDUCATION DIVISION OF VOCATIONAL REHABILITATION; Jill Randolph, LSO Senior Budget and Policy Analyst

Ms. Randolph reviewed that this division is organized under the State Board of Education and has three programs: the vocational rehabilitation program, the extended employment services program; and the Council for the Deaf and Hard of Hearing.

MOTION: Moved by **Senator Lent** beginning with the FY 2023 base of \$28,416,400, add \$89,400 for benefit costs, \$9,100 for inflationary adjustments, \$3,100 for statewide cost allocation, and \$758,400 for the change in employee compensation. Also included are the following line items: line item 1, which provides 1.00 FTP and \$94,500 for a program specialist at the Council for the Deaf and Hard of Hearing. The totals for this motion for FY 2023 are 151.00 FTP, \$8,494,100 from the General Fund, \$2,128,900 from dedicated funds, and \$18,747,900 from federal funds for a grand total of \$29,370,900; seconded by **Representative Bundy**.

CARRIED: **AYES: 19**
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye
Representatives Youngblood, Troy, Horman, Syme, Bundy, Giddings, Nate, Green, and Nash

NAYS: 0

ABSENT/EXCUSED: 1
Representative Amador

The majority having voted in the affirmative, the motion passed and without objection carried a **DO PASS** recommendation. Having heard no objection, it was so ordered by **Co-Chairman Agenbroad**.

ADJOURNED: There being no further business before the Committee, **Co-Chairman Agenbroad** adjourned the meeting at 9:41 a.m.

Senator Agenbroad
Chair

Erin Miller
Secretary