MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 23, 2022
TIME: 8:00 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: None

CONVENED: Co-Chairman Agenbroad called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:03 a.m.

LSO STAFF PRESENTATION:
OFFICE OF THE GOVERNOR - DIVISION OF FINANCIAL MANAGEMENT (DFM) Fiscal Year (FY) 2022 SUPPLEMENTALS, REPORTING AND COMPLIANCE; Tim Hibbard, Legislative Services Office (LSO) Budget and Policy Analyst

Mr. Hibbard explained this supplemental request for $31,300 from the State Fiscal Recovery Fund of the American Rescue Plan Act of 2021 (ARPA) for a reporting and compliance full-time limited service provision hire for reporting and compliance of ARPA funds. This position is expected to last until FY 2027, with the total ongoing cost of $78,000.

UNANIMOUS CONSENT: Requested by Representative Nash, granted by unanimous consent, the FY 2022 budget for the Office of the Governor, DFM was reopened.

MOTION: Moved by Representative Nash for FY 2022, for the DFM, 1.00 Full-Time Equivalent Position (FTP) and a reduction of $26,800 in operating expenditures and an increase of $26,800 in personnel costs for a one-time net-zero transfer from the ARPA State Fiscal Recovery Fund; seconded by Senator Ward-Engelking.

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

NAYS: 2
Representatives Giddings and Nate

ABSENT/EXCUSED: 1
Representative Horman

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.
Mr. Hibbard explained this supplemental request for $450,000 in one time operating expenditures from the General Fund to procure a contract to study cost containment strategies for the Department of Health and Welfare’s Division of Medicaid to address Medicaid growth in a way that supports its mission.

MOTION: Moved by Representative Nash for FY 2022, for the DFM, $450,000 one time from the General Fund; seconded by Senator Ward-Engelking.

DISCUSSION: In response to Committee questions, Alex J. Adams, DFM Administrator, explained the conducted survey which arrived at the amount needed to engage consultants to look for cost containment opportunities, and reminded the Committee this supplements the DFM budget.


NAYS: 3 Senator Crabtree Representatives Giddings and Nate

ABSENT/EXCUSED: 1 Representative Horman

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.

Mr. Hibbard explained this budget is the FY 2023 original budget and cited the authority for this office. He stated it would include language to provide for reappropriation for State Fiscal Recovery Funds of the ARPA, the Medicaid Consultants supplemental, and for amending law for Emergency Rental Assistance in the previous year.

MOTION: Moved by Representative Nash beginning with the FY 2023 base of $2,629,200, add $9,300 for benefit costs, remove $5,200 for statewide cost allocation; and add $121,500 for the change in employee compensation. Also included are the following line items: line item 1, which provides for $38,000,000 for Emergency Rental Assistance; line item 2, which provides for $14,387,100 for the Homeowners Assistance Fund; line item 3, which provides for $13,135,600 for the Small Business Credit Initiative; line item 4, which provides for $78,000 for a reporting and compliance position; and line item 51, which provides for $1,000,000 for State Fiscal Recovery Fund Audit and Compliance. The totals for this motion for FY 2023 are 20.00 FTP, $2,081,400 from the General Fund, $670,200 from dedicated funds, and $66,603,900 from federal funds for a grand total of $69,355,500; seconded by Senator Crabtree.
CARRIED:  AYES: 17
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye Representatives Youngblood, Troy, Amador, Syme, Bundy, Green, and Nash

NAYS: 2
Representatives Giddings and Nate

ABSENT/EXCUSED: 1
Representative Horman

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 Nash, granted by unanimous consent, the following intent language was adopted:

SECTION _. REAPPROPRIATION AUTHORITY. There is hereby appropriated to the Division of Financial Management any unexpended and unencumbered balances appropriated to the Division of Financial Management from the from the American Rescue Plan Act (ARPA) State Fiscal Recovery Fund for fiscal year 2022, in an amount not to exceed $33,000,000 from the American Rescue Plan Act (ARPA) State Fiscal Recovery Fund, to be used for nonrecurring expenditures 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.

UNANIMOUS CONSENT:  Requested by Representative Nash, granted by unanimous consent, the following intent language was adopted:

SECTION _. AMEND SECTION 2, CHAPTER 16, LAWS OF 2021.

INTENT LANGUAGE:  EMERGENCY RENTAL ASSISTANCE. The Executive Office of the Governor shall allocate emergency rental assistance funding to the Idaho Housing and Finance Association to be distributed to eligible recipients in compliance with federal requirements and guidelines. Funding shall be allocated to the association on an as-needed basis in increments not to exceed $33,000,000. The association shall not process applications in any city or county not otherwise funded directly by the Executive Office of the Governor. The association may, as part of the efficient administration of resources, subgrant to any local entity that received direct federal funding from Section 501 of Division N of the Consolidated Appropriations Act, 2021, P.L. 116-260 until provided the association verifies that there is no duplication of benefit for the applicant. The association shall not process applications until the association verifies that there is no duplication of benefit for the applicant. The Executive Office of the Governor shall require monthly reporting by the association to the Joint Finance-Appropriations Committee and the Legislative Services Office by the fifth business day of each month. The Executive Office of the Governor shall also require the association to be audited by an independent firm skilled in auditing federal funding programs.
UNANIMOUS CONSENT: Requested by Representative Nash, granted by unanimous consent, the following intent language was adopted:

INTENT LANGUAGE: SECTION __. EMERGENCY RENTAL ASSISTANCE. The Division of Financial Management shall allocate emergency rental assistance funding to the Idaho Housing and Finance Association to be distributed to eligible recipients in compliance with federal requirements and guidelines. Funding shall be allocated to the association on an as-needed basis in increments not to exceed $15,000,000. The association may, as part of the efficient administration of resources, subgrant to any local entity that received direct federal funding from Section 501 of Division N of the Consolidated Appropriations Act, 2021, P.L. 116-260 provided the association verifies that there is no duplication of benefit for the applicant. The association shall not process applications until the association verifies that there is no duplication of benefit for the applicant. The Division of Financial Management shall require monthly reporting by the association to the Joint Finance-Appropriations Committee and the Legislative Services Office by the fifth business day of each month. The Division of Financial Management shall also require the association to be audited by an independent firm skilled in auditing federal funding programs.

UNANIMOUS CONSENT: Requested by Representative Nash, granted by unanimous consent, the following intent language was adopted:

INTENT LANGUAGE: SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Division of Financial Management any unexpended and unencumbered balances appropriated to the Division of Financial Management from the General Fund for the cost of procuring Medicaid consultants for fiscal year 2022, in an amount not to exceed $450,000 from the General Fund, to be used for nonrecurring expenditures 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: SELF-GOVERNING AGENCIES - PUBLIC DEFENSE COMMISSION (PDC) FY 2023 ORIGINAL; Tim Hibbard, LSO Budget and Policy Analyst

Mr. Hibbard explained the PDC promulgates administrative rules regarding public defense standards in Idaho, with one budgeted line item for indigent defense financial assistance, which the Governor recommends, being pass through money to counties for compliance with indigent defense standards.

MOTION: Moved by Representative Troy beginning with the FY 2023 base of $11,290,800, add $3,900 for benefit costs, remove $1,300 for statewide cost allocation, and add $41,000 for the change in employee compensation. Also included are the following line items: line item 1, which provides $345,000 for Indigent Defense Financial Assistance. The totals for this motion for FY 2023 are 7.00 FTP, $11,679,400 from the General Fund; seconded by Senator Crabtree.
CARRIED: AYES: 20
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye Representatives Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, and Nash

NAYS: 0

ABSENT/EXCUSED: 0

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: DEPARTMENT OF FINANCE - FY 2023 ORIGINAL; Frances Lippitt, LSO Budget and Policy Analyst

Ms. Lippitt explained the Department was created in 1995 by the state legislature, organized as one budgeted program, and regulates chartered financial institutions, lenders, securities insurers, broker dealers and stockbrokers, residential mortgage brokers and lenders, investment advisors, and state sales personnel, collection agencies, endowed care cemeteries, and others. The FY 2023 budget request includes three line items and standard language to provide continuous appropriation authority to reimburse homeowners who are impacted by violations of the Idaho Residential Mortgage Practices Act.

MOTION: Moved by Senator Grow beginning with the FY 2023 base of $9,047,900, add $29,300 for benefit costs, $63,100 for replacement items, $16,500 for statewide cost allocation, and $394,900 for the change in employee compensation. Also included are the following line items: line item 1, which provides $16,500 for benefit costs, $63,100 for replacement items, and $394,900 for the change in employee compensation. Also included are the following line items: line item 2, which provides $108,300 for a mortgage supervising examiner, and line item 3, which provides $126,100 for a mortgage supervising examiner, and line item 3, which provides $108,300 for a mortgage supervising examiner. The totals for this motion for FY 2023 are 70.00 FTP and $10,059,400 from dedicated funds; seconded by Representative Youngblood. Representative Youngblood declared a House Rule 80.

CARRIED: AYES: 20
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye Representatives Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Nate, Green, and Nash

NAYS: 0

ABSENT/EXCUSED: 0

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 Grow, granted by unanimous consent, the following intent language was adopted:
INTENT: SECTION __. CONTINUOUS APPROPRIATION AUTHORITY. The Department of Finance is hereby granted continuous appropriation authority for reimbursement of persons to whom the Idaho courts have made a final determination of actual damages resulting from acts constituting violations of the Idaho Residential Mortgage Practices Act by a mortgage broker, mortgage lender, or mortgage loan originator who was licensed or required to be licensed pursuant to Chapter 31, Title 26, Idaho Code.

LSO STAFF PRESENTATION: DEPARTMENT OF INSURANCE (DOI) - FY 2023 ORIGINAL; Frances Lippitt, LSO Budget and Policy Analyst

Ms. Lippitt explained DOI has 71.5 FTP and two budgeted programs, the Insurance Regulation Division and the State Fire Marshal’s office. The mission of the DOI is to serve and protect Idahoans equitably, effectively, and efficiently by administering the Idaho Insurance Code and the International Fire Code, with funding primarily coming from fees and charges assessed on the insurance industry. She stated the DOI requested a maintenance budget for FY 2023.

MOTION: Moved by Senator Grow beginning with the FY 2023 base of $9,889,800, add $41,800 for benefit costs, $54,000 for replacement items, remove $17,100 for statewide cost allocation, and add $373,400 for the change in employee compensation. The totals for this motion for FY 2023 are 71.50 FTP, $9,628,500 from dedicated funds and $713,400 from federal funds for a grand total of $10,341,900; seconded by Representative Youngblood.

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

NAYS: 0

ABSENT/EXCUSED: 1
Representative Bundy

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: IDAHO STATE DEPARTMENT OF AGRICULTURE (ISDA) - SPECIALTY CROP GRANTS FY 2022 SUPPLEMENTAL; Rob Sepich, LSO Senior Budget and Policy Analyst

Mr. Sepich explained the Governor recommended a one time FY 2022 supplemental appropriation of $900,000 from the Federal Grants Fund in trustee and benefit payments for block grants to industries impacted by the COVID-19 pandemic, and this funding will be removed from the budget before calculating the FY 2023 base.

UNANIMOUS CONSENT: Requested by Representative Troy, granted by unanimous consent, the FY 2022 budget for the ISDA was reopened.

MOTION: Moved by Representative Troy for FY 2022 for the ISDA $900,000 one time from the Federal Grants Fund for specialty crop grants, seconded by Senator Crabtree.

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

NAYS: 0

ABSENT/EXCUSED: 1
Representative Bundy

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: ISDA - FY 2023 ORIGINAL; Rob Sepich, LSO Senior Budget and Policy Analyst

Mr. Sepich explained the five line items originally requested by the ISDA, and those recommended by the Governor with some small adjustments. He reviewed the actions the Committee has already taken, which was the supplemental for $900,000.

MOTION: Moved by Representative Troy beginning with the FY 2023 base of $45,370,800, add $173,700 for benefit costs, $1,152,400 for replacement items, $3,700 for statewide cost allocation, and $1,119,100 for the change in employee compensation. Also included are the following line items: line item 1, which removes $218,700 from the Invasive Species Program; line item 2 provides 1.00 FTP and $115,300 to hire a feed and fertilizer inspector; line item 3 for 0.50 FTP and $194,500 to add staff for the Hemp Program; line item 4 adds 1.00 FTP and $971,800 for specialty crop grants; line item 5, which provides $206,400 for a CEC and variable benefit adjustment for fresh fruit and vegetable inspectors; and line item 6 adds $400,000 one time for lab equipment across the state. The totals for this motion for FY 2023 are 220.00 FTP, $12,667,600 from the General Fund, $29,407,500 from dedicated funds, and $7,413,900 from federal funds for a grand total of $49,489,000; seconded by Senator Crabtree.

CARRIED: AYES: 18
Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye Representatives Youngblood, Troy, Horman, Amador, Syme, Giddings, Green, and Nash

NAYS: 1
Representative Nate

ABSENT/EXCUSED: 1
Representative Bundy

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:
SECTION __: WATERCRAFT INSPECTION PROGRAM. The Department of Agriculture shall maximize the use of the appropriation provided for the Watercraft Inspection Program to minimize the chances of spreading zebra mussels, quagga mussels, and other aquatic invasive species into Idaho waters. The department is encouraged to use roving inspection stations when appropriate and for expanded hours of coverage during holidays when boat transport traffic is likely to increase. It is also encouraged to use extra staffing on busy holiday weekends. The department shall gather data regarding the number of watercraft that are bypassing the stations and nighttime transport of watercraft across Idaho's borders. The department shall also seek to secure federal funding to further enhance invasive species detection and prevention efforts. The department shall report back to the Joint Finance-Appropriations Committee, the Senate Agricultural Affairs Committee, and the House Agricultural Affairs Committee during the 2023 legislative session regarding the results of the data gathering, attainment of federal funds, and an operational review of the boat stations.

OFFICE OF THE GOVERNOR - WOLF DEPREDAITION CONTROL BOARD FY 2023 ORIGINAL; Rob Sepich, LSO Senior Budget and Policy Analyst

Mr. Sepich explained the Board’s request for its maintenance budget of $392,000, and in addition to the General Fund appropriation provided, the Board receives dedicated funds from both livestock producers and sportsmen for depredation related activities.

Moved by Senator Crabtree for the Wolf Depredation Control Board $392,000 from the General Fund for FY 2023; seconded by Representative Troy.

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

NAYS: 0

ABSENT/EXCUSED: 1
Representative Bundy

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.

Requested by Senator Crabtree, granted by unanimous consent, the following intent language was adopted:

SECTION __: USE OF FUNDS: The Wolf Depredation Control Board shall use available funding in the Other Money Subaccount created pursuant to Section 22-5305, Idaho Code, to reimburse contractors for costs related to wolf collaring, monitoring, and control actions to the maximum extent possible.
Mr. Sepich explained this supplemental request, which was neither originally recommended nor requested, and has previously become a problem before the Committee, for depredation claim payments paid to landowners when big game comes through and destroys crops or eats into haystacks. He explained IDFG, as of February 16, 2022, had received over $1.7 million in claims from landowners, and has an appropriation of $1.1 million, with only $750,000 of revenue to pay off those claims. Mr. Sepich detailed that funding for depredation claims comes from three annual statutory transfers.

Requested by Senator Crabtree, granted by unanimous consent, the FY 2022 budget for the IDFG was reopened.

Moved by Senator Crabtree for the IDFG in the Wildlife Mitigation and Habitat Conservation Program a one time appropriation and transfer of $1,700,000 from the Fish and Game Fund to the Expendable Big Game Depredation Fund for Fiscal Year 2022; seconded by Representative Youngblood.

Representatives Syme and Troy declared a House Rule 80.

Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye Representatives Youngblood, Troy, Horman, Amador, Syme, Nate, Green, and Nash

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.

Moved by Senator Crabtree for FY 2022 for the IDFG in the Wildlife Mitigation and Habitat Conservation Program an additional $900,000 one time from the Expendable Big Game Depredation Fund; seconded by Representative Youngblood.

Senators Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden, Ward-Engelking, and Nye Representatives Youngblood, Troy, Horman, Amador, Syme, Giddings, Nate, Green, and Nash

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.

Representative Bundy
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:** **IDFG - FY 2023 ORIGINAL; Rob Sepich, LSO Senior Budget and Policy Analyst**

Mr. Sepich reminded the Committee IDFG’s mission is to preserve, manage, and protect all wildlife within the state, and detailed its budget request of nine total line items, noting each of those were approved or recommended by the Governor. He stated overall, this budget represents a 3.7 percent increase over the FY 2022 original appropriation.

**MOTION:** Moved by **Senator Crabtree** beginning with the FY 2023 base of $114,494,900, add $579,100 for benefit costs, $4,291,100 for replacement items, $458,900 for statewide cost allocation, and $2,995,600 for the change in employee compensation. Also included are the following line items: line item 1, which provides $590,000 for wolf census and depredation costs; line item 2 which provides $1,500,000 from the Fish and Game (other) Fund for habitat restoration at the Eagle Valley Ranch; line item 3 adds $2,100,000 for restoration at Gray’s Meadow; line item 4 provides $225,000 for maintenance of boating site access points; line item 5 includes $25,000 for a wildlife disease ecologist; line item 7 adds $4,900,000 for maintenance backlog; line item 8, which eliminates the Wildlife Mitigation and Habitat Conservation Program; and line item 10, which provides $700,000 to increase the appropriation available to pay depredation claims. The totals for this motion for FY 2023 are 553.00 FTP, $74,837,300 from dedicated funds, and $58,022,300 from federal funds for a grand total of $132,859,600; seconded by **Representative Youngblood**.

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

**NAYS: 0**

**ABSENT/EXCUSED: 1** Representative Bundy

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 Crabtree**, granted by unanimous consent, the following intent language was adopted:

**INTENT LANGUAGE:** **SECTION _ : WOLF POPULATION REPORTING REQUIREMENTS.** The Department of Fish and Game shall file an annual report on the number, distribution, and trends of the wolf population within the state of Idaho no later than March 1, 2023. The report shall be delivered to the Governor, germane committees of both the House and Senate, and the Legislative Librarian.
ADJOURNED: There being no further business before the Committee, Co-Chairman Agenbroad adjourned the meeting at 9:04 a.m.

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Senator Agenbroad              Erin Miller
Chair                             Secretary