

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 28, 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, Green, Nash

**ABSENT/
EXCUSED:** None

Co-Chairman Youngblood called the meeting to order at 8:03 a.m.

Ms. Frances Lippitt, Analyst, LSO Budget & Policy Analysis, presented the FY 2023 original budget for the Department of Administration.

MOTION: **Rep. Horman** made a motion, seconded by **Sen. Grow**, for the Department of Administration, for FY 2023, to approve 128.00 FTP, \$2,627,800 from the General Fund, and \$23,139,700 from dedicated funds, for a grand total of \$25,767,500, which includes personnel benefit costs, replacement costs, change in employment compensation, and line items.

VOTE ON MOTION: **Motion carried by a vote of 14 AYES, 2 NAYS, 4 ABSENT/EXCUSED. AYES: 14.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Horman, Bundy, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 4.** Cook, Troy, Amador, Syme.

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

MOTION: **Rep. Horman** made a motion, seconded by **Sen. Grow**, for the Department of Administration, for FY 2023, to approve a transfer of \$25,000,000 from the State Fiscal Recovery Fund to the Employee Group Insurance Fund.

VOTE ON MOTION: **Motion carried by a vote of 15 AYES, 2 NAYS, 3 ABSENT/EXCUSED. AYES: 15.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Horman, Syme, Bundy, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 3.** Cook, Troy, Amador.

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

Ms. Lippitt presented a FY 2022 supplemental appropriation request from the Department of Administration for the Bond Payments program. This supplemental request for a one-time appropriation would discharge most existing bonds held by the State in this program.

UNANIMOUS CONSENT REQUEST: **Sen. Grow** requested and it was granted by unanimous consent, the FY 2022 budget for the Department of Administration Bond Payments program was reopened.

MOTION: **Sen. Grow** made a motion, seconded by **Rep. Horman**, for FY 2022, for the Department of Administration in the Bond Payments program, an additional \$175,754,000 in onetime operating expenditures from the General Fund for the purpose of paying off bonds.

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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Ms. Lippitt presented the FY 2023 original budget for the Department of Administration Bond Payments program. This appropriation will be used to pay the final debt service payments on those bonds paid with the immediately previous supplemental request, as well as the debt service payment for the sole remaining bond.

MOTION: **Rep. Syme** made a motion, seconded by **Sen. Grow**, for FY 2023, for the Department of Administration in the Bond Payments program, to approve \$15,283,000 in total dedicated funds.

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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Ms. Lippitt presented the FY 2023 budget for the Capitol Commission. Statute requires the Commission to meet at least twice a year since completion of the Capitol restoration. Ongoing funding for Capitol maintenance is provided from endowment, land funds, and investments.

MOTION: **Rep. Horman** made a motion, seconded by **Sen. Grow**, for FY 2023, for the Department of Administration Capitol Commission, a total of \$2,342,000 from dedicated funds.

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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Ms. Lippitt explained the intent language associated with the FY 2023 budget for the Capitol Commission. Reappropriation authority requires legislative approval.

UNANIMOUS CONSENT REQUEST: **Rep. Horman** requested and it was granted by unanimous consent, to accept the following intent language.

**INTENT
LANGUAGE:**

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Administration for the Idaho State Capitol Commission any unexpended and unencumbered balances appropriated to the Department of Administration for the Idaho State Capitol Commission from the Capitol Commission Operating Fund for fiscal year 2022 to be used for nonrecurring expenditures for the period July 1, 2022, through June 30, 2023. 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.

Ms. Lippitt presented a FY 2022 supplemental appropriation request from the Permanent Building Fund for capital improvement projects. This request differs from the Governor's recommendations by reducing the amount for deferred maintenance from \$100M to \$94M; reduces the amount for Chinden campus improvements from \$50M to \$37M; adds \$5M for a horticulture building at the College of Western Idaho; provides the Idaho Transportation Department headquarters will occupy improved space at the Chinden campus; and does not include funding for the POST Academy dorm. The supplemental appropriations for Veterans Services and the Department of Correction capital projects will be considered at a later date.

MOTION:

Rep. Syme made a motion, seconded by **Sen. Lent**, for FY 2022, for the Department of Administration for the Division of Public Works from the Permanent Building Fund, an additional \$211,525,000 in onetime capital outlay from dedicated funds for the capital projects shown below.

Dept./Agency/Institution	Description	Amount
Idaho State Police	Combined Lab	\$29,000,000
College of Western Idaho	Relocate Health Science Bldg., Nampa Campus	\$10,000,000
Dept. of Administration	Deferred Maintenance	\$94,000,000
Dept. of Administration	Chinden Campus Improvements	\$37,000,000
Dept. of Lands	St. Joe Field Office	\$5,000,000
Division of Military	Communication Tower Upgrades	\$4,300,000
Idaho State University	Pedestrian Crossing over Railway Separating ISU/INL	\$3,000,000
College of Southern Idaho	Automotive & Agricultural Diesel Mechanics Facility	\$10,000,000
College of Eastern Idaho	Future Tech Facility	\$10,000,000
College of Western Idaho	Horticulture Building	\$5,000,000
North Idaho College	Diesel Bay Remodel & Aerospace Training Lab	\$3,325,000

University of Idaho	McCall Field Campus Improvements	\$900,000
	Total:	\$211,525,000

In response to a committee question, **Mr. Keith Reynolds**, Director, Department of Administration, explained additional building space has become available at the Chinden campus ahead of schedule. This funding will allow improvements to facilitate moving agencies out of private leased space or to accommodate more room at the Capitol mall.

In response to another committee question, **Mr. Alex Adams**, Administrator, Division of Financial Management, explained many of these projects will take several years to complete. Mr. Adams noted the current labor market and increasing inflation; this request was submitted as a FY 2022 supplemental appropriation to begin work on many of these projects right away.

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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

MOTION:

Rep. Syme made a motion, seconded by **Sen. Lent**, for FY 2022, for the Department of Administration for the Division of Public Works, a transfer of \$211,525,000 from the General Fund to the Permanent Building 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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Ms. Lippitt explained the intent language associated with this FY 2022 supplemental request for the Idaho Transportation Department to become tenants at the Chinden campus.

UNANIMOUS CONSENT REQUEST:

Rep. Syme requested and it was granted by unanimous consent, to accept the following intent language and place it in the Supplemental Appropriation bill for FY 2022 for the Department of Administration for the Division of Public Works from the Permanent Building Fund.

INTENT LANGUAGE:

SECTION __. CHINDEN CAMPUS IMPROVEMENTS. The Idaho Transportation Department's Boise Headquarters will occupy space at the Chinden Campus as campus tenants. Notwithstanding any other provision of law to the contrary, the Department of Administration shall use a portion of the funding appropriated in Section X for improvements at the Chinden Campus to prepare office space for occupancy by the Idaho Transportation Department as a replacement for the administrative building located at 3311 W State Street.

Ms. Lippitt presented the FY 2023 original budget for the Permanent Building Fund.

MOTION: **Rep. Horman** made a motion, seconded by **Sen. Grow**, for FY 2023, for the Permanent Building Fund, to approve \$196,828,600 in onetime dedicated funds, which includes alterations and repairs, capital projects, and statewide deferred maintenance costs.

VOTE ON MOTION: **Motion carried by a vote of 19 AYES, 0 NAYS, 1 ABSENT/EXCUSED. AYES: 19.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Giddings, Nate, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 1.** Bundy.

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

MOTION: **Rep. Horman** made a motion, seconded by **Sen. Grow**, for the Office of the State Controller to transfer \$150,000,000 from the General Fund to the Permanent Building Fund on July 1, 2022, or as soon thereafter as practicable, for the period July 1, 2022 through June 30, 2023.

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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

Mr. Rob Sepich, Senior Analyst, LSO Budget & Policy Analysis, presented a FY 2022 supplemental request from the Soil & Water Conservation Commission. The Water Quality Program for Agriculture (WQPA) is authorized in Section 22-2733, Idaho Code, and provided a grant program administered by the Soil & Water Conservation Commission. The funding for this program was removed in FY 2012 as part of the budget cuts resulting from the recession. Historically, WQPA provided financial assistance for agricultural Best Management Practices (BMPs), non-point source water pollution concerns for Total Maximum Daily Loads (TMDLs), and watershed improvements through the 50 local Soil Conservation Districts. The Natural Resources Conservation Service (NCRS) has pledged a dollar-for-dollar match to state funding for WQPA projects. Eligible projects include water conservation, soil conservation, small aging infrastructure replacement or improvement, and water quality and/or efficiency improvements.

UNANIMOUS CONSENT REQUEST: **Rep. Troy** requested and it was granted by unanimous consent, the FY 2022 budget for the Soil and Water Conservation Committee was reopened.

MOTION: **Rep. Troy** made a motion, seconded by **Sen. Crabtree**, for FY 2022, for the Soil and Water Conservation Commission, \$5,000,000 onetime 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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Mr. Sepich explained the intent language associated with this FY 2022 supplemental request for the Soil and Water Conservation Committee. This language directs the agency to utilize these funds in the same manner as before the 2012 funding cut; these funds should be directed towards conservation projects, water delivery and drainage and rehabilitation improvement projects, and implementations of agricultural pest management practices.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Troy requested and it was granted by unanimous consent, to add the following intent language to the bill.

**INTENT
LANGUAGE:**

SECTION __: Of the moneys appropriated in Section __ of this act for trustee and benefit payments, \$5,000,000 shall be used for the Water Quality Program for Agriculture in accordance with Sections 22–2733 and 22–2734, Idaho Code, to provide cost-share financing for soil and water conservation projects, water delivery and drainage rehabilitation and improvement projects, implementation of Agricultural Best Management Practices (BMPs), and other projects to enhance and restore the soil and water resources of the state. The commission shall administer this funding through existing grant procedures and personnel.

Mr. Sepich explained the previous motion provided onetime funding in FY 2022 for the Water Quality Program for Agriculture (WQPA). These projects will likely take more than one fiscal year to be completed and reimbursed to local land owners. As such, acting to approve the supplemental triggered an action to add reappropriation language, which will allow any unencumbered or unexpended dollars to be carried over into FY 2023 for expenditure. The language approved on Monday, February 21, 2022, did not include reappropriation because the supplemental item was not acted upon.

MOTION:

Rep. Troy made a motion, seconded by **Sen. Crabtree**, to reopen the FY 2023 budget for the Soil and Water Conservation Commission.

**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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

The majority having voted in the affirmative, the motion has passed, and was so ordered by **Chairman Youngblood**.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Troy requested and it was granted by unanimous consent, to add the following intent language to the FY 2023 appropriation bill for the Southern Water Conservation Commission.

**INTENT
LANGUAGE:**

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, not to exceed \$5,000,000, 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.

Mr. Sepich explained the necessary technical correction to the FY 2023 Original Appropriation bill for the Department of Fish & Game (IDFG). The motion for the FY 2023 IDFG budget included funding for 950 Microsoft licenses at a cost of \$49.60/license; however, the actual cost is \$297.02 per license. The original funding amount was included in the Statewide Cost Allocation Program (SWCAP) for billings from the Office of Information Technology Services. Only the Departments of Fish and Game, Environmental Quality, and Water Resources had SWCAP costs that were incorrectly calculated for the Microsoft Licenses. The below motion includes funding to make up the difference between the original funding included in SWCAP and the actual expected cost of licenses.

MOTION: **Sen. Cook** made a motion, seconded by **Rep. Troy**, to reopen the FY 2023 budget for the Department of Fish and Game.

VOTE ON MOTION: **Motion carried by a vote of 19 AYES, 1 NAY, 0 ABSENT/EXCUSED. AYES: 19.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Syme, Bundy, Giddings, Green, Nash. **NAYS: 1.** Nate. **ABSENT/EXCUSED: 0.**

The majority having voted in the affirmative, the motion has passed, and was so ordered by **Chairman Youngblood**.

MOTION: **Sen. Cook** made a motion, seconded by **Rep. Troy**, for FY 2023, for the Department of Fish and Game, in the Administration Program, an additional \$141,000 from the Fish and Game Fund and \$94,100 from federal funds.

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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Mr. Sepich explained the FY 2022 supplemental request from the Department of Environmental Quality (DEQ) for the Agricultural Best Management Practices Fund transfer.

UNANIMOUS CONSENT REQUEST: **Rep. Troy** requested and it was granted by unanimous consent, the FY 2022 budget for the Department of Environmental Quality was reopened.

MOTION: **Rep. Troy** made a motion, seconded by **Sen. Cook**, for FY 2022, for the Department of Environmental Quality in the Water Quality Program, a onetime appropriation and transfer of \$5,000,000 from the General Fund to the continuously appropriated Agricultural Best Management Practices 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, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 0.**

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

Mr. Sepich explained the FY 2022 supplemental request from DEQ for work on the Triumph Mine cleanup. This supplemental request uses federal funds available through the ARPA State Fiscal Recovery Fund instead of dedicated funds.

MOTION:

Rep. Nash made a motion, seconded by **Sen. Ward-Engelking**, for FY 2022, for the Department of Environmental Quality in the Administration and Support Services Program, an increase of \$30,400 onetime from the ARPA State Fiscal Recovery Fund and in the Waste Management and Remediation Program an increase of \$1,421,800 onetime from the ARPA State Fiscal Recovery Fund, for a grand total of \$1,452,200, onetime, from federal funds.

Rep. Nash expressed appreciation to the agencies and the Governor's office for looking for opportunities to offset General Fund costs with onetime federal dollars.

Rep. Nate spoke against the motion and using ARPA funds. He noted if Idaho doesn't spend its ARPA allotment, the money will go to other states, but still prefers not to use the federal money. He stated ARPA funding competes with private sector funding and declared the need to be careful about which projects to fund.

Sen. Woodward commented Idaho's obligation to clean up the Triumph Mine was already established and he was happy to support the motion. **Chairman Youngblood** concurred, stated he had visited the mine site several times, and stated in his opinion the motion was an excellent use of onetime federal funds to take care of an environmental hazard for which the state of Idaho is responsible.

VOTE ON 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, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 0.**

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

Mr. Sepich explained the Governor's revised DEQ budget recommendation included a onetime supplemental transfer of \$44M from the General Fund to the Water Pollution Control Fund (WPCF) as match required under the Infrastructure Investment and Jobs Act (IIJA). Under IIJA, states are only required to match 10% of its annual capitalization grant for drinking water and wastewater revolving loans in federal fiscal years 2022 and 2023. For federal fiscal years 2024 through 2026, the state match returns to 20%. IIJA also stipulates that 49% of the state's allotment of capitalization grant is to be used to provide 100% principal forgiveness or grants, rather than loans. Idaho is expected to receive approximately \$407M under IIJA, including funding for traditional Drinking Water and Clean Water State Revolving Funds, lead service line replacement, and emerging contaminants grants.

MOTION:

Rep. Troy made a motion, seconded by **Sen. Cook**, for FY 2022, for the Department of Environmental Quality in the Water Quality Program, a onetime appropriation and transfer of \$44,000,000 from the General Fund to the continuously appropriated Water Pollution Control Fund.

VOTE ON 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, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 0.**

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

Mr. Sepich explained the FY 2022 supplemental request from DEQ for the Confined Animal Feeding Operations (CAFO) Fund. **H 559** has passed the House and is on the Senate 3rd Reading Calendar. This bill creates the continuously appropriated Confined Animal Feeding Operations (CAFO) Improvement Fund and establishes a CAFO Improvement Fund Committee to administer funds. CAFOs are not eligible for traditional Agricultural Best Management Practices Funds as CAFOs are not considered entities that discharge into water bodies. State funds awards to a project cannot exceed 20% of the total funds available in any fiscal year, and applicants must contribute at least 40% of the total cost from sources other than the CAFO Fund. In-kind contributions can be considered part of the minimum 40% match.

MOTION:

Rep. Troy made a motion, seconded by **Sen. Crabtree**, for FY 2022, for the Department of Environmental Quality in the Water Quality Program, a onetime appropriation and transfer of \$5,000,000 from the General Fund to the continuously appropriated Confined Animal Feeding Operations (CAFO) Improvement Fund.

VOTE ON MOTION:

Motion carried by a vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED.

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

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

Mr. Sepich presented the FY 2023 original budget for the Department of Environmental Quality.

MOTION:

Rep. Troy made a motion, seconded by **Sen. Woodward**, for FY 2023, for the Department of Environmental Quality, to approve 387.00 FTP, \$24,760,400 from the General Fund, \$17,078,200 from dedicated funds, and \$102,896,000 from federal funds, for a grand total of \$144,734,600, which includes personnel benefit costs, replacement costs, change in employment compensation, and line items.

VOTE ON MOTION:

Motion carried by a vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED.

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

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

Mr. Sepich explained the standard intent language associated with this motion.

UNANIMOUS CONSENT REQUEST:

Rep. Troy requested and it was granted by unanimous consent, to accept and add the following intent language to the FY 2023 budget bill for the Department of Environmental Quality.

**INTENT
LANGUAGE:**

SECTION __: REMEDIATION PROJECT REPORTING REQUIREMENTS. Moneys deposited into the Environmental Remediation (Basin) Fund shall be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, Legislature, and Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

SECTION __: USES OF THE WATER POLLUTION CONTROL FUND. The appropriation of moneys from the Water Pollution Control Fund in this act shall specifically supersede the provisions of Section 39-3630, Idaho Code.

SECTION __: USES OF THE HAZARDOUS WASTE EMERGENCY FUND. The appropriation of moneys from the Hazardous Waste Emergency Fund in this act shall specifically supersede the provisions of Section 39-4417, Idaho Code.

Mr. Sepich explained additional language associated with the Department of Environmental Quality budget.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Troy requested and it was granted by unanimous consent, to include the following section of intent language to the FY 2023 budget bill for the Department of Environmental Quality.

**INTENT
LANGUAGE:**

SECTION __: USES OF ARPA STATE FISCAL RECOVERY FUND: It is the intent of the legislature to provide approximately \$300 million of American Rescue Plan Act (ARPA) funding to support construction of drinking water and wastewater projects. Moneys shall be appropriated from the ARPA State Fiscal Recovery Fund for this purpose. DEQ may use the ARPA State Fiscal Recovery Fund to fund all eligible planning grant requests received consistent with existing processes. DEQ shall provide ARPA funding in the form of grants for construction of drinking water and wastewater projects using a tiered approach, that provides the highest level of grant funding to systems with the greatest level of need, but least ability to pay, as determined by factors including size of system (smaller systems rank higher), monthly user rates, median income, and readiness to proceed. DEQ may consider all projects meeting the intended criteria where costs were incurred after March 3, 2021, and where construction will be completed prior to December 31, 2026. This includes funding cost overruns for existing state revolving loan funded projects currently under construction if it is due to factors such as increased labor and material costs. DEQ shall provide a written update of recipients to germane legislative committees upon approval by the Board of Environmental Quality. DEQ shall file a report with the Governor and Legislature detailing progress and expenditures by January 6, 2023.

SECTION __: REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Department of Environmental Quality any unexpended and unencumbered balances appropriated to the Department of Environmental Quality from the ARPA State Fiscal Recovery Fund for Triumph Mine remediation for fiscal year 2022 in an amount not to exceed \$1,452,200 from the ARPA State Fiscal Recovery Fund, to be used for nonrecurring expenditures related to the Triumph Mine 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.

Mr. Sepich explained the transfer language necessary for the FY 2023 budget bill for the Department of Environmental Quality.

MOTION: **Rep. Troy** made a motion, seconded by **Sen. Crabtree**, to approve the following two FY 2023 cash transfers and language.

INTENT LANGUAGE: SECTION __: CASH TRANSFER FOR WASTE REMEDIATION. There is hereby appropriated to the Department of Environmental Quality and the Office of the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund on July 1, 2022, or as soon thereafter as practicable for the period July 1, 2022, through June 30, 2023, to be used for Superfund cleanup projects in the Coeur d'Alene Basin.

SECTION __: CASH TRANSFER FOR AGRICULTURAL BEST MANAGEMENT PRACTICES FROM THE DEPARTMENT OF ENVIRONMENTAL QUALITY GENERAL FUND. Of the amount appropriated in Section 1 of this act, there is hereby appropriated and the Office of the State Controller shall transfer \$279,000 from the Department of Environmental Quality (General) Fund to the Agricultural Best Management Practices (BMP) Fund on July 1, 2022, or as soon thereafter as practicable for the period July 1, 2022, through June 30, 2023.

VOTE ON MOTION: **Motion carried by a vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED.**

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

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

Mr. Sepich explained the FY 2022 supplemental request from the Department of Lands for fire fund deficiency warrants. The Governor originally recommended a \$106M General Fund transfer to the Fire Suppression Fund for FY 2022. Currently, the fire fund has a negative balance of \$10.5M and if all account payables and receivables were settled, the fund would have an approximate balance of a negative \$40M. The agency operates under a Memorandum of Understanding (MOU) to allow flexibility for firefighting agencies to attack wildfire as necessary and allocate the costs after the fire season is over. These cost allocations can take many years to negotiate and settle. Mr. Sepich stated an annual average of \$25.1M has been expended each fiscal year since FY 2010.

In response to a committee question, **Mr. Sepich** explained billing happens after the fire suppression work is completed. The Fire Suppression Fund is not necessarily expected to have an actual negative balance at the end of FY 2022; the reconciliation process can take many years.

Rep. Nate stated the supplemental request should match the fund deficiency of \$40M and not include extra monies.

UNANIMOUS CONSENT REQUEST: **Sen. Crabtree** requested and it was granted by unanimous consent, the FY 2022 budget for the Department of Lands was reopened.

MOTION: **Sen. Crabtree** made a motion, seconded by **Rep. Troy**, for the Department of Lands in the Forest and Range Fire Protection Program, a onetime appropriation and transfer of \$80,000,000 from the General Fund to the continuously appropriated Fire Suppression Deficiency Warrant Fund for FY 2022.

Sen. Crabtree explained every year the Fund has a deficit and must automatically pay its debt out of the General Fund. This appropriation request intends to create a financial cushion to avoid direct encumbrance of the General Fund as in previous years.

VOTE ON MOTION:

Motion carried by a vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED.

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

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

Mr. Sepich presented the FY 2023 original budget for the Department of Lands.

MOTION:

Sen. Crabtree made a motion, seconded by **Rep. Troy**, for FY 2023, for the Department of Lands, to approve 349.45 FTP, \$8,281,800 from the General Fund, \$53,343,400 from dedicated funds, and \$19,124,800 from federal funds, for a grand total of \$80,750,000, which includes personnel benefit costs, replacement costs, change in employment compensation, and line items.

VOTE ON MOTION:

Motion carried by a vote of 15 AYES, 2 NAYS, 3 ABSENT/EXCUSED.

AYES: 15. Agenbroad, Crabtree, Woodward, Lent, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 3.** Grow, Riggs, Syme.

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

Mr. Sepich explained the standard language associated with the Department of Lands budget bill. Traditionally this language is included in the budget bill to allow the department to use its total appropriation within its firefighting program as necessary. This language allows the agency an exemption from the object transfer law so it can move funding between some of its objects, as needed, to fight wildfires.

UNANIMOUS CONSENT REQUEST:

Sen. Crabtree requested and it was granted by unanimous consent, to include the following intent language in the FY 2023 Original Appropriation bill for the Department of Lands.

INTENT LANGUAGE:

Section _ : EXEMPTIONS FROM OBJECT TRANSFER LIMITATIONS. The Department of Lands is hereby exempted from the provisions of Section 67-3511(1) and (3), Idaho Code, allowing unlimited transfers between object codes for all moneys appropriated to the Forest and Range Fire Protection Program for the period July 1, 2022, through June 30, 2023. Legislative appropriations shall not be transferred from one fund to another fund unless expressly approved by the Legislature.

Ms. Jill Randolph, Senior Analyst, LSO Budget & Policy Analyst, explained the technical correction to the intent language for the Division of Welfare FY 2023 budget. The Joint Finance-Appropriations Committee approved the FY 2023 original budget for the Division of Welfare on Friday, February 25th, 2022, but this language was not included in that motion. This language directs \$36M of the \$100M appropriated for childcare programs assistance shall be used for community partner grants.

UNANIMOUS CONSENT REQUEST: **Rep. Troy** requested unanimous consent to accept the presented intent language. **Rep. Giddings** objected.

MOTION: **Rep. Troy** made a motion, seconded by **Rep. Horman**, to include the following language in the FY 2023 Original Appropriation bill for the Division of Welfare.

INTENT LANGUAGE: SECTION __. GUIDELINES FOR COMMUNITY PARTNER GRANTS. Of the moneys appropriated in Section __ of this act, \$36,000,000 shall be used for community partner grants to address COVID-19 pandemic impacts on school-ages children, including learning loss. Community provider grants shall be used only for in-person educational and enrichment activities that focus on student needs and for providing behavioral health supports to address student needs. Grants shall be used for serving school-aged participants ages 5 through 13 years, as allowable by federal guidance. The Department of Health and Welfare shall require grant applications from community providers that are in compliance with grant guidelines. Priority will be given to grant applicants that include professional staff to provide services directly to participants. Grant amounts shall be: up to \$500,000 for community providers who have a statewide presence; up to \$250,000 for community providers who have a regional presence in one part of the state; and up to \$20,000 for community providers with a local presence. Grants shall be released no later than July 6, 2022, for summer grants; September 1, 2022 for fall 2022 grants; January 1, 2023 for spring 2023 grants; and May 1, 2022, for summer 2022 grants. All spending for this purpose shall conclude by June 30, 2023.

Rep. Troy stated these grants were used last year to assure children had face-to-face instruction during the Covid-19 pandemic; these programs were a great success and should continue.

VOTE ON MOTION: **Motion carried by a vote of 15 AYES, 1 NAY, 4 ABSENT/EXCUSED. AYES: 15.** Agenbroad, Crabtree, Woodward, Lent, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Green, Nash. **NAYS: 1.** Giddings. **ABSENT/EXCUSED: 4.** Grow, Riggs, Syme, Nate.

The majority having voted in the affirmative, the motion has passed and without objection 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 9:32 a.m.

Representative Youngblood
Chair

Alyson Jackson
Secretary