

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 16, 2023

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Cook, Vice Chairman Lenney, Senators Lakey, Guthrie, Foreman, and Hartgen

ABSENT/ EXCUSED: Senators Ricks, Ward-Engelking, and Ruchti

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Cook** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

WELCOME: **Chairman Cook** introduced Page Halli Williams. He asked her to tell the Committee about her background. **Ms. Williams** stated she was from Idaho Falls. She came here with her class and thought it would be a good idea to become a Page. She looked forward to learning about the process.

DISCUSSION: **Senator Lakey** asked her what got her interested in becoming a Page. **Ms. Williams** said she had friends who served as Pages in the past.

MINUTES APPROVAL: **Senator Hartgen** moved to approve the Minutes of February 7, 2023. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Guthrie** moved to approve the Minutes of February 9, 2023. **Vice Chair Lenney** seconded the motion. The motion carried by **voice vote**.

H 23 **Occupational and Professional Licenses** - Amends existing law to replace references to the Division of Building Safety (DBS) with the Idaho Division of Occupational and Professional Licenses (IDOPL). **Tim Frost**, Deputy Director, IDOPL, reported this legislation continued the reorganization of IDOPL consistent with Executive Order 2020-10. The proposal aligned the reference terms of the former DBS into the IDOPL. In addition, the proposal aligned the reference terms of the administrator of DBS to be the administrator of the IDOPL.

Mr. Frost indicated there was no impact to the General Fund nor to the IDOPL fund. This proposal simply aligned Idaho Code references for the interpretation purposes of IDOPL administrator.

MOTION: **Senator Guthrie** moved to send **H 23** to the floor with a **do pass** recommendation. **Senator Hartgen** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **American Rescue Plan (ARPA) Funds Update.** **Alex Adams**, Administrator, Idaho Division of Financial Management (IDFM), presented a PowerPoint and gave an overview of ARPA Budget Considerations (Attachment 1). He pointed out the Distribution of Federal Funding from COVID-19 by State. He stated Idaho received the smallest amount of funds of any states in the amount of \$18 billion. Economic impact checks were stimulus checks and the largest category. The second category was small business. He went over the chart on ARPA noting the focus was on discretionary dollars for state and local governments. There was limited discretion to use funds for allowable expenses, such as COVID response, and water and broadband infrastructure. **Mr. Adams** stated the approach by the Legislature was to use the funds outlined in S 1204. They deferred the use of ARPA funds until allocations were made.

Mr. Adams outlined how the funds were used by the State. Those areas were to respond to COVID-19, provide premium pay, cover reduction in revenue (except tax cuts), and investment in water, sewer, or broadband infrastructure. He noted the approach to using ARPA funds as allowable by law, the State should make long-range investments that benefitted grandchildren; State agencies that received ARPA funds should plan for the reduction of these federal funds to avoid creating ongoing obligations shifted to the General Fund after the federal funds were depleted; and the use of ARPA funds should not impede or inhibit the State's constitutional mandate to provide for a balanced budget. **Mr. Adams** remarked ARPA funds should be used to lower the State's capital costs and deferred maintenance costs in the years ahead to the extent permissible. ARPA funds should not duplicate other federal programs, and local dollars were the dollars of first resort for local needs.

Mr. Adams went over the major legislative allocations. Those allocations were noted on the last page of the presentation. He remarked the State of Idaho decided to invest in capital improvements. These projects would have a long life.

DISCUSSION: **Senator Lakey** asked where the workforce housing money had been expended. **Mr. Adams** said of the \$50 million, there was \$8 million set aside for rural areas. The IDFM was tracking this project.

Senator Guthrie remarked there was a wastewater project in Preston, Idaho and because of supply chain issues, certain parts were unavailable, thus they could not finish the project on time. He asked if there was any flexibility in the deadline so they would not have to pay interest on the funds. **Mr. Adams** explained the history of the funds prior to ARPA funds. He noted the Governor sent a letter to the federal government requesting no more aid. He stated prices were driven up, there was a worker shortage, supply chain issues, and projects were not being completed on time. He stated there was a request to extend the deadline, but Congress declined. He noted that under the Trump administration, the deadline was extended one week prior to the deadline, but served no purpose. He expected the deadline to again be extended, but at the last minute. **Senator Guthrie** queried if there was any creative way to meter out the money to eliminate the interest issue.

David Fulkerson, Deputy Administrator, IDFM, explained the money was received from the federal government. Cash was transferred to agencies through the ARPA fund. The remainder of the cash was left with the State Controller's Office. He stated the money could be put in an interest bearing account. **Senator Guthrie** asked if interest was not charged until the money was drawn. **Mr. Fulkerson** remarked agencies were managing those funds and the IDFM was working with them to alleviate some of the issues.

Chairman Cook noted the State must have all of the money allocated by 2026 and projects must be finished by 2027. He asked what if the projects were not finished on time. **Mr. Fulkerson** stated there was a period of time to liquidate obligations and any money not spent, returned to the federal government with no interest charged.

Vice Chair Lenney expressed a concern ARPA monies were putting our grandchildren into debt, and that not much of this had to do with COVID relief. He said he found it inconsistent that the Governor signed S 1204 and wrote a letter telling the federal government not to send any more funds. **Mr. Adams** noted that in 2020 was when the Governor sent the letter to the congressional delegation, preparing for what was thought to be a recession. He explained the Governor said to the delegation to let the states manage these funds. ARPA was signed into law after that. ARPA funds were put into infrastructure where there were long-term effects. Idaho did more for infrastructure than any other states. **Mr. Fulkerson** noted there was another round of openings for Workforce Development Grants in March.

ADJOURNED: There being no further business at this time, **Chairman Cook** adjourned the meeting at 2:06 p.m.

Senator Cook
Chair

Linda Kambeitz
Secretary