

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 08, 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:** Representative Syme

Co-Chairman Youngblood called the meeting to order at 8:01 a.m.

Mr. Matt Farina, Analyst, LSO Budget & Policy Analysis, explained the technical correction needed for the Military Division FY 2023 budget.

**UNANIMOUS
CONSENT
REQUEST:** **Rep. Bundy** requested and it was granted by unanimous consent, the FY 2023 budget for the Military Division was reopened.

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

**INTENT
LANGUAGE:** SECTION __. CONTINUOUS APPROPRIATION. The Military Division is hereby granted continuous appropriation authority for the Idaho Office of Emergency Management's Miscellaneous Revenue Fund for the period July 1, 2022, through June 30, 2023, for the purpose of covering incurred costs arising out of hazardous substance incidents.

Mr. Nate Osborne, Analyst, LSO Budget & Policy Analysis, presented a FY 2022 supplemental appropriation request from the Office of Energy and Mineral Resources. The requested funding for the Energy Resiliency Grant Program will be used as matching funds for competitive federal grants. Should the grants not be awarded, the agency intends to spend the money on similar projects without the federal dollars.

Sen. VanOrden invoked Rule 39(H) stating a possible conflict of interest but that she would be voting on the legislation.

**UNANIMOUS
CONSENT
REQUEST:** **Sen. Lent** requested and it was granted by unanimous consent, the FY 2022 budget for the Office of Energy and Mineral Resources was reopened.

MOTION: **Sen. Lent** made a motion, seconded by **Rep. Green**, for FY 2022, for the Office of Energy and Mineral Resources, a onetime cash transfer of \$15,000,000 from the General Fund to the Miscellaneous Revenue 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, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Bundy, Green. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 3.** Amador, Syme, Nash.

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: **Sen. Lent** made a motion, seconded by **Rep. Green**, for FY 2022, for the Office of Energy and Mineral Resources, \$15,000,000 from the Miscellaneous Revenue Fund for the purpose of funding the Energy Resiliency Grant Program.

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

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. Osborne presented the FY 2023 original budget for the Office of Energy and Mineral Resources.

MOTION: **Sen. Lent** made a motion, seconded by **Rep. Green**, for FY 2023, for the Office of Energy and Mineral Resources, 11.00 FTP, \$1,038,300 from dedicated funds and \$2,142,300 from federal funds, for a grand total of \$3,180,600, which includes personnel benefits and replacements costs, change in employment compensation, and line items.

VOTE ON MOTION: **Motion carried by a vote of 17 AYES, 2 NAYS, 1 ABSENT/EXCUSED. AYES: 17.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 1.** 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. Osborne explained the intent language for this motion. Reappropriation authority requires legislative approval.

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

INTENT LANGUAGE: SECTION XX. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Office of Energy and Mineral Resources any unexpended and unencumbered balances appropriated to the Office of Energy and Mineral Resources from the Miscellaneous Revenue Fund for the purpose of the Energy Resiliency Grant Program for fiscal year 2022, in the amount not to exceed \$15,000,000 from the Miscellaneous Revenue Fund, to be used for nonrecurring expenditures related to the Energy Resiliency Grant Program 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. Osborne presented the FY 2023 original budget for the Public Utilities Commission. This is a maintenance budget and includes no line items or supplemental requests.

MOTION: **Sen. Woodward** made a motion, seconded by **Rep. Troy**, for FY 2023, for the Public Utilities Commission, 49.00 FTP, \$6,617,000 from dedicated funds, and \$358,400 from federal funds, for a grand total of \$6,975,400, which includes personnel benefits and replacements costs and change in employee compensation.

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, Bundy, Giddings, Nate, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 1.** 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**.

Ms. Frances Lippitt, Analyst, LSO Budget & Policy, explained the FY 2022 supplemental request from the Secretary of State for election integrity audits. **S 1274** requires post-election audits of selected paper ballots for any primary or general election by the Secretary of State. The Secretary's office is responsible for the costs of the audits, including reimbursing county clerks for costs they may incur. The office estimates a statewide cost per primary and general election of \$50K and \$100K every fourth year for the presidential primary. An ongoing supplemental appropriation of \$50K would allow the Secretary of State to implement election integrity audits for the 2022 primary and general election. The Governor's recommendation included a \$500K supplemental with reappropriation for this purpose.

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

MOTION: **Sen. Crabtree** made a motion, seconded by **Rep. Green**, for FY 2022, for the Secretary of State, \$50,000 ongoing from the General Fund to support election integrity audits.

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, Bundy, Giddings, Nate, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 1.** 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**.

Ms. Lippitt presented the FY 2023 original budget for the Secretary of State.

MOTION: **Sen. Crabtree** made a motion, seconded by **Rep. Green**, for FY 2023, for the Secretary of State, 29.00 FTP and \$4,489,700 from the General Fund, which includes personnel benefits and replacements costs, change in employment compensation, and line items.

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, Bundy, Giddings, Nate, Green, Nash. **NAYS: 0. ABSENT/EXCUSED: 1.** 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**.

Ms. Lippitt presented the FY 2023 original budget for the Industrial Commission.

MOTION:

Rep. Troy made a motion, seconded by **Sen. Lent**, for FY 2023, for the Industrial Commission, 133.25 FTP, \$294,000 from the General Fund, \$20,916,300 from dedicated funds, and \$1,639,000 from federal funds, for a grand total of \$22,849,300, which includes personnel benefits and replacements costs, change in employment compensation, and line items.

VOTE ON MOTION:

Motion carried by a vote of 18 AYES, 1 NAY, 1 ABSENT/EXCUSED. AYES: 18. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Giddings, Green, Nash. **NAYS: 1.** Nate. **ABSENT/EXCUSED: 1.** 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**.

Ms. Lippitt explained the intent language associated with this budget. The language provides legislative intent for the four-year IT modernization project to be funded with a series of onetime appropriations and requires the agency provide the Legislature with progress reports each year with its budget requests.

UNANIMOUS CONSENT REQUEST:

Rep. Troy requested and it was granted by unanimous consent, to include the following intent language in the FY 2023 appropriation bill for the Industrial Commission.

INTENT LANGUAGE:

SECTION __. BUSINESS AND TECHNOLOGY MODERNIZATION. In accordance with Section 1, Article VIII, of the Constitution of the state of Idaho, of the amount appropriated in Section 1 of this act, \$2,844,200 from the Industrial Administration Fund and \$405,600 from the Crime Victims Compensation Fund comprise the second of four onetime appropriations for the commission's business and technology modernization, subject to the availability of funds and satisfactory project implementation. On or before September 1 of each year, the commission shall report to the Legislature regarding the specific efforts made to upgrade its business applications, the outcomes of those efforts, and an estimate of the appropriation amount needed to continue those efforts.

Ms. Lippitt presented a FY 2022 supplemental appropriation request from the Office of the State Controller. This supplemental request is for a onetime appropriation of \$53,970,500 in federal funding from the American Recovery Plan Act (ARPA) Local Fiscal Recovery Fund. This supplemental reflects the second tranche of passthrough funding the State Controller anticipates receiving in FY 2022 for distribution to Idaho non-entitlement units, or cities and towns with populations less than 50,000.

UNANIMOUS CONSENT REQUEST:

Rep. Horman requested and it was granted by unanimous consent, the FY 2022 budget for the State Controller was reopened.

MOTION:

Rep. Horman made a motion, seconded by **Sen. Cook**, for FY 2022, for the State Controller, an additional \$53,970,500 in onetime federal trustee and benefits payments for distribution to Idaho non-entitlement units.

VOTE ON MOTION:

Motion carried by a vote of 17 AYES, 2 NAYS, 1 ABSENT/EXCUSED. AYES: 17. Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Green, Nash. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 1.** 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**.

Ms. Lippitt presented a FY 2022 supplemental appropriation request from the Office of the State Controller. This funding will complete development of a data system that will allow the Idaho Behavioral Health Council to securely report and measure statewide behavioral health data.

MOTION: **Rep. Horman** made a motion, seconded by **Sen. Cook**, for FY 2022, for the State Controller, an additional \$2,500,000 from the General Fund for the purpose of enhancing a statewide behavioral health reporting data system.

VOTE ON MOTION: **Motion carried by a vote of 18 AYES, 1 NAY, 1 ABSENT/EXCUSED. AYES: 18.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Giddings, Green, Nash. **NAYS: 1.** Nate. **ABSENT/EXCUSED: 1.** 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**.

Ms. Lippitt presented the FY 2023 original budget for the State Controller.

MOTION: **Sen. Cook** made a motion, seconded by **Rep. Horman**, for FY 2023, for the State Controller, 114.00 FTP, \$13,456,900 from the General Fund, \$8,523,700 from dedicated funds, and \$3,250,000 from federal funds, for a grand total of \$25,230,600, which includes personnel benefits and replacements costs, change in employment compensation, and line items.

VOTE ON MOTION: **Motion carried by a vote of 18 AYES, 1 NAY, 1 ABSENT/EXCUSED. AYES: 18.** Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Ward-Engelking, Nye, Youngblood, Troy, Horman, Amador, Bundy, Giddings, Green, Nash. **NAYS: 1.** Nate. **ABSENT/EXCUSED: 1.** 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**.

Ms. Lippitt explained the intent language associated with this budget.

UNANIMOUS CONSENT REQUEST: **Sen. Cook** requested and it was granted by unanimous consent, to include the following two sections of standard language in the FY 2023 appropriation bill for the Office of the State Controller.

INTENT LANGUAGE: SECTION __. INDIRECT COST RECOVERY. The moneys assessed by the Division of Financial Management in accordance with Section 67-3531, Idaho Code, for State Controller services shall be placed in the Indirect Cost Recovery Fund.

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Office of the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the Office of the State Controller from the Data Processing Services Fund for fiscal year 2022, in an amount not to exceed \$2,500,000 from the Data Processing Services Fund, to be used for nonrecurring expenditures related to the Computer Service Center for the period July 1, 2022, through June 30, 2023. The Office of the State Controller shall confirm the reappropriation amounts, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

Ms. Lippitt explained the three other sections of intent language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. Cook requested and it was granted by unanimous consent, to include the following three sections of standard language in the FY 2023 appropriation bill for the Office of the State Controller.

**INTENT
LANGUAGE:**

SECTION __. EXEMPTION FROM PROGRAM TRANSFER LIMITATIONS. The Statewide Accounting Program is hereby exempted from the provisions of Section 67-3511(2), Idaho Code, allowing unlimited transfers into the Statewide Accounting Program from other programs within the Office of the State Controller for all moneys appropriated to it 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.

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Office of the State Controller any unexpended and unencumbered balances appropriated or reappropriated to the Office of the State Controller from the federal Local Fiscal Recovery Fund for disbursement to local governments with populations less than 50,000. The Office of the State Controller shall confirm the reappropriation amounts, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein.

SECTION __. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Office of the State Controller any unexpended and unencumbered balance appropriated to the Office of the State Controller for behavioral health reporting for fiscal year 2022, in an amount not to exceed \$2,500,000, for the period July 1, 2022, through June 30, 2023. The Office of the State Controller shall confirm the reappropriation amounts, by fund, expense class, and program, with the Legislative Services Office prior to processing the reappropriation authorized herein

Chairman Youngblood put the committee at ease at 8:39 a.m. to await the scheduled time for the public hearing of **H 729**.

Chairman Youngblood resumed the meeting at 9:30 a.m.

Mr. Josh Whitworth, Chief Deputy Controller, Office of the State Controller, explained modernizing the State's business information infrastructure will require a modern support structure to sustain the continuous information security and standards of the new systems. The intent of **H 729** is to provide a funding structure that properly incentivizes state agencies to manage their use of support through a direct bill cost versus the current two-year lag of the statewide cost allocation plan (SWCAP).

This bill extends the deposit of money from the indirect cost recovery fund into the business information infrastructure fund (BIIF) for one additional year, until June 30, 2023. Additionally, this bill removes the sunset provision of the BIIF. The removal of the sunset provision provides the structure for the State Controller's Office (SCO) to move from a General Fund support organization to a dedicated fund, direct bill organization. The additional one year of funds will allow for the transition to a dedicated fund, fee-for-service model.

This bill is part of a multi-year plan to work with the Legislature and Governor to transition central services of the SCO to a shared-services, dedicated fund, fee-for-service model. During the transition, the SCO's ongoing need for monies from the General Fund will decrease as the fee-for-services dedicated fund recovers the cost for centralized services of the SCO. Full transition to the new billing structure is expected to begin FY 2026. After full transition, it is estimated to decrease the SCO's ongoing need for General Funds by approximately \$85M.

Mr. Whitworth emphasized this funding is separate from implementation of Luma. **H 729** begins the transition from the old billing model to the new billing model.

MOTION: **Rep. Troy** made a motion, seconded by **Sen. Crabtree**, to send **H 729** to the floor with a **DO PASS** recommendation.

The House Appropriations Committee voted first, followed immediately by the Senate Finance Committee.

VOTE ON MOTION: **Motion carried by a vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. AYES: 16.** Youngblood, Troy, Horman, Amador, Bundy, Green, Nash, Agenbroad, Crabtree, Grow, Woodward, Lent, Riggs, Cook, VanOrden (Bair), Nye. **NAYS: 2.** Giddings, Nate. **ABSENT/EXCUSED: 2.** Ward-Engelking, 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**.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:45 a.m.

Representative Youngblood
Chair

Alyson Jackson
Secretary