

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

- DATE:** Friday, March 10, 2023
- TIME:** 8:00 A.M.
- PLACE:** Room C310
- MEMBERS PRESENT:** Senators Co-Chairman Grow, Bjerke, Burtenshaw, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Nash
- ABSENT/EXCUSED:** Senators Lent and Cook
Representative Furniss
- CONVENED:** **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:01 a.m.
- LSO STAFF PRESENTATION:** **DAILY BUDGET UPDATE; Keith Bybee, Division Manager, Legislative Services Office (LSO) Budget and Policy Analysis**
Mr. Bybee discussed the General Fund Budget Update, as of March 9, 2023, focusing on the General Fund Comparison of original appropriations to the Governor's Revised Recommendations and the Committee's actions (see attachment 1). He summarized pending legislative action and how the amounts were fluid based upon those bills. **Mr. Bybee** reviewed the legislation with General Fund fiscal impact which will be removed from the next Update.
- LSO STAFF PRESENTATION:** **OFFICE OF THE GOVERNOR - OFFICE OF ENERGY AND MINERAL RESOURCES FISCAL YEAR (FY) 2024 ORIGINAL; Alex Williamson, Analyst, LSO Budget and Policy Analysis**
Ms. Williamson reviewed that this office is responsible for coordinating the planning of energy and mineral resource policy development, coordinating efforts with federal, state, and local governments on issues related to energy and mineral resource requirements. **Ms. Williamson** pointed out the FY 2024 budget request, the Governor's Recommendation, and adjusted items based upon Committee action. She reminded that this budget includes a line item for the Infrastructure Investment and Jobs Act of 2021 (IIJA) Resilient Grid Grant which would add \$5 million of federal funds to be used in harmony with the \$15 million that was reappropriated from last year.
- MOTION:** Moved by **Representative Tanner**, beginning with the FY 2024 base, include the following items as part of the JFAC adjusted budget: \$7,200 for benefit costs, \$5,600 for statewide cost allocation, \$33,300 for change in employee compensation, and \$8,100 for Human Resources consolidation. Include \$10,500 for replacement items. Also included is the following: line item 47, which provides \$5,000,000 for IIJA Resilient Grid Grants. The totals for this motion for FY 2024 are \$1,063,900 from dedicated funds, and \$7,172,600 from federal funds for a total of \$8,236,500, and cap full-time equivalent positions at 11.00; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 17

Senators Grow, Bjerke, Burtenshaw, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 3

Senators Lent and Cook
Representative Furniss

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 Grow**.

**UNANIMOUS
CONSENT:**

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

**INTENT
LANGUAGE:**

SECTION . 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 Energy Resiliency Grant Program for fiscal year 2023, 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, 2023, through June 30, 2024. 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 Tanner**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION . ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

**UNANIMOUS
CONSENT:**

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

**INTENT
LANGUAGE:**

SECTION . RESILIENT GRID GRANTS. Of the moneys appropriated in Section 1 of this act from the Federal Grant Fund for Infrastructure Investment and Jobs Act of 2021 Resilient Grid Grants, no funds shall be expended for promotion, advertisement, enforcement, or adoption of International Energy Conservation codes beyond the 2018 energy conservation codes already in effect, pursuant to Section 39-9701, Idaho Code.

SECTION . ENERGY RESILIENCY SUBGRANT REPORTING. Relating to the moneys appropriated in Section 1 of this act from the Federal Grant Fund for IJA subgrants, and Section (reapprop) of this act from the Miscellaneous Revenue Fund for energy resiliency subgrants, the Office of Energy and Mineral Resources shall provide a written report to the Joint Finance-Appropriations

Committee no later than December 1, 2023, detailing the distribution and use of these funds.

LSO STAFF PRESENTATION: **IDAHO PUBLIC UTILITIES COMMISSION (IPUC) FY 2024 ORIGINAL;**
Alex Williamson, Analyst, LSO Budget and Policy Analysis

Ms. Williamson reviewed that the IPUC oversees the intrastate operation of investor-owned electric, gas, water and telecommunication utilities, as well as pipelines and railroads. She reminded the Committee that the IPUC does not regulate publicly owned municipal or cooperative utilities. **Ms. Williamson** pointed out the agency's request and the Governor's Recommendation, and that this was a maintenance budget with requests for inflationary adjustments and replacement items. She reported the Commissioner's salary increase was not included and will be addressed in a separate bill.

MOTION: Moved by **Representative Miller**, beginning with the FY 2024 base, include the following items as part of the JFAC adjusted budget: add \$35,300 for benefit costs, remove \$91,800 for statewide cost allocation, add \$139,500 for change in employee compensation, and remove 1.00 FTP and \$56,800 for Human Resources consolidation. Include \$78,500 for inflationary adjustments and \$73,600 for replacement items. The totals for this motion for FY 2024 are \$6,803,800 from dedicated funds, and \$370,700 from federal funds for a total of \$7,174,500, and cap full-time equivalent positions at 48.00; seconded by **Senator Just**.

CARRIED: **AYES: 16**
Senators Grow, Bjerke, Burtenshaw, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, and Handy

NAYS: 1
Representative Nash

ABSENT/EXCUSED: 3
Senators Lent and Cook
Representative Furniss

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 Grow**.

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

INTENT LANGUAGE: SECTION __. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

LSO STAFF PRESENTATION: SELF-GOVERNING AGENCIES - IDAHO COMMISSION FOR LIBRARIES FY 2024 ORIGINAL; Alex Williamson, Analyst, LSO Budget and Policy Analysis

Ms. Williamson discussed that this agency assists in statewide library development and provides continuing education and consultant services to the library community of 147 public libraries, as well as school and academic libraries. She stated the agency also coordinates various statewide programs, administers grants, advocates for library services, and facilitates planning for library development. **Ms. Williamson** discussed the agency's budget noting the Kindergarten Readiness Program Subgrant, Information Technology Services (ITS) virtual hard drive storage, digital access implementation grant, and library facilities projects.

MOTION: Moved by **Senator Ward-Engelking**, beginning with the FY 2024 base, include the following items as part of the JFAC adjusted budget: \$27,000 for benefit costs, \$20,000 for statewide cost allocation, \$113,800 for change in employee compensation, and remove 1.00 FTP and \$57,100 for Human Resources consolidation. Include \$22,900 for inflationary adjustments and \$28,900 for replacement items. Also included are the following line items: line item 1, which provides \$40,000 for Kindergarten Readiness Program Subgrants; line item 2, which provides \$6,000 for ITS virtual hard drive storage; line item 48, which provides \$1,750,000 for digital access implementation grants; and line item 51, which provides \$3,518,300 for library facilities projects. Also include the removal of 1.00 FTP and \$13,200 for Information Technology consolidation. The totals for this motion for FY 2024 are \$4,618,800 from the General Fund, \$70,000 from dedicated funds, and \$7,126,400 from federal funds for a total of \$11,815,200, and cap full-time equivalent positions at 35.50; seconded by **Representative Bundy**.

CARRIED: **AYES: 14**
Senators Grow, Bjerke, Burtenshaw, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Petzke, Handy and Nash

NAYS: 3
Senator Herndon
Representatives Lambert and Tanner

ABSENT/EXCUSED: 3
Senators Lent and Cook
Representative Furniss

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 Grow**.

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

**INTENT
LANGUAGE:**

SECTION __. REAPPROPRIATION AUTHORITY FOR SUMMER PROGRAMS. There is hereby reappropriated to the Commission for Libraries any unexpended and unencumbered balances appropriated to the Commission for Libraries from the Miscellaneous Revenue Fund for the purpose of providing summer library reading programs as approved by the State Board of Education for fiscal year 2023, in the amount not to exceed \$625,000 from the Miscellaneous Revenue Fund, to be used for nonrecurring expenditures related to providing summer library reading programs as approved by the State Board of Education for the period July 1, 2023, through June 30, 2024. 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.

SECTION __. REAPPROPRIATION AUTHORITY FOR DIGITAL ACCESS PLANNING. There is hereby reappropriated to the Idaho Commission for Libraries any unexpended and unencumbered balances appropriated to the Idaho Commission for Libraries from the Federal Grant Fund for the purpose of digital access planning for fiscal year 2023, in the amount not to exceed \$250,000 from the Federal Grant Fund, to be used for nonrecurring expenditures related to digital access planning for the period July 1, 2023 through June 30, 2024. 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 **Senator Ward-Engelking**, granted by unanimous consent, the following intent language was adopted:

**INTENT
LANGUAGE:**

SECTION __. ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

**UNANIMOUS
CONSENT:**

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

**INTENT
LANGUAGE:**

SECTION __. TELEHEALTH FACILITIES. Of the moneys appropriated in Section 1 of this act from the American Rescue Plan Fund for library facilities projects, no funds shall be expended for facility and technology projects that do not comply with Sections 18-608 and 18-617, Idaho Code.

**LSO STAFF
PRESENTATION:**

OFFICE OF THE GOVERNOR - DIVISION OF FINANCIAL MANAGEMENT (DFM)- AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) MULTIPLE FUND ADJUSTMENT - FY 2023 SUPPLEMENTAL; Tim Hibbard, Analyst, LSO Budget and Policy Analysis

Mr. Hibbard reviewed the FY 2023 supplemental appropriation being one action for three different programs, utilizing federal ARPA funds one time. The programs are: from the American Rescue Plan Fund for the State Small Business Credit Initiative, from the ARPA Homeowners Assistance Fund, and from the ARPA Emergency Rental Assistance Fund. He stated this supplemental would provide one time additional funds to these programs.

DISCUSSION: In response to Committee questions, **David Fulkerson**, DFM Deputy Administrator and State Financial Officer, discussed the programs and the demand for funds this year versus what was appropriated last fiscal year. He reiterated this was one time funding.

UNANIMOUS CONSENT: Requested by **Senator Bjerke**, granted by unanimous consent, the FY 2023 budget for DFM was reopened.

MOTION: Moved by **Senator Bjerke**, beginning for the FY 2023 budget for the Division of Financial Management an additional \$45,067,000 one time from federal funds; seconded by **Representative Bundy**.

CARRIED: **AYES: 14**
Senators Grow, Bjerke, Burtenshaw, VanOrden, Adams, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Petzke, Handy and Nash

NAYS: 3
Senator Herndon
Representatives Lambert and Tanner

ABSENT/EXCUSED: 3
Senators Lent and Cook
Representative Furniss

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 Grow**.

LSO STAFF PRESENTATION: **OFFICE OF THE GOVERNOR - DIVISION OF FINANCIAL MANAGEMENT FY 2024 ORIGINAL; Tim Hibbard, Analyst, LSO Budget and Policy Analysis**

Mr. Hibbard reviewed the agency's request, the Governor's Recommendation, and the JFAC adjusted budget with the actions this Committee has already acted upon. He noted there is a \$38 million base reduction for the Emergency Rental Assistance program.

MOTION: Moved by **Representative Bundy**, beginning with the FY 2024 base, include the following items as part of the JFAC adjusted budget: benefit costs, statewide cost allocation, change in employee compensation, and Human Resources consolidation. Include \$3,000 for replacement items, and \$147,700 for annualizations. Also included is line item 1, which provides \$13,067,000 for American Rescue Plan Act funded programs. The totals for this motion for FY 2024 are \$2,158,600 from the General Fund, \$914,500 from dedicated funds, and \$41,675,300 from federal funds, for a total of \$44,748,400, and cap full-time equivalent positions at 22.00; seconded by **Senator Burtenshaw**.

CARRIED:

AYES: 17

Senators Grow, Bjerke, Burtenshaw, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Horman, Miller, Bundy, Raybould, Lambert, Tanner, Petzke, Handy, and Nash

NAYS: 0

ABSENT/EXCUSED: 3

Senators Lent and Cook
Representative Furniss

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 Grow**.

**UNANIMOUS
CONSENT:**

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

**INTENT
LANGUAGE:**

SECTION . ACCOUNTABILITY REPORTS. Funds specifically identified in statute or in an appropriation act as intended for a certain purpose may be used only for that purpose. All funds provided in this act shall be subject to accountability reports and management reviews in accordance with Section 67-702, Idaho Code.

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at 8:38 a.m.

Senator Grow
Chair

Erin Miller
Secretary