

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, March 21, 2023
TIME: 8:00 A.M.
PLACE: Room C310
MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, Nash
ABSENT/EXCUSED: None

Co-Chairman Horman called the meeting to order at 8:00 a.m.

The Chairmen thanked the secretaries for their service to the committee.

Co-Chairman Horman put the committee at ease at 8:06 a.m.

Co-Chairman Horman resumed the meeting at 8:09 a.m.

The Chairmen thanked the Pages for their service to the Committee and invited them to describe their experiences serving in the Legislature.

UNANIMOUS CONSENT REQUEST: **Co-Chairman Grow** requested, and it was granted by unanimous consent, to reorder the agenda.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy Analysis, explained the FY 2024 cash transfer for the Public Education Stabilization Fund.

MOTION: **Rep. Miller** made a motion, seconded by **Sen. Bjerke**, for FY 2024, a cash transfer of up to \$29,327,600 and the language below.

LANGUAGE: FISCAL YEAR 2024 CASH TRANSFER TO THE PUBLIC EDUCATION STABILIZATION FUND. There is hereby appropriated and the Office of the State Controller shall transfer an amount not to exceed \$29,327,600 from the General Fund to the Public Education Stabilization Fund on August 1, 2023, or as soon as practicable for the period July 1, 2023, through June 30, 2024. The actual amount transferred shall be the calculated amount to reach the statutory limit of eight and one-third percent (8.334%) of the current fiscal year's total appropriation of state funds for public school support as found in Section 33-907, Idaho Code, as determined by the Office of the State Controller in consultation with the State Department of Education and the Legislative Services Office.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 2 NAYS, 0 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Bybee explained the FY 2024 cash transfer for the Budget Stabilization Fund.

MOTION: **Sen. Bjerke** made a motion, seconded by **Rep. Miller**, for FY 2024, a cash transfer of \$32,363,200 and the language below.

LANGUAGE: FISCAL YEAR 2024 CASH TRANSFER TO THE BUDGET STABILIZATION FUND. There is hereby appropriated and the Office of the State Controller shall transfer an amount not to exceed \$32,363,200 from the General Fund to the Budget Stabilization Fund on July 1, 2023, or as soon as practicable for the period July 1, 2023, through June 30, 2024.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 2 NAYS, 0 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Jill Randolph, Principal Analyst, LSO Budget & Policy Analysis, explained the FY 2023 supplemental appropriation request for a childcare grant for the Division of Welfare in the Department of Health and Welfare. This appropriation requires multiple motions.

In response to a committee question, **Ms. Randolph** explained the source of these funds is a direct agency allocation from the American Rescue Plan Act (ARPA). These funds will expire at the conclusion of the current federal fiscal year, which is September 2023.

In response to another committee question, **Ms. Randolph** stated the Department of Labor is equipped to distribute this grant funding for the Department of Health and Welfare.

In response to a committee question, **Mr. Dave Jeppesen**, Director, Department of Health and Welfare (DHW), stated DHW has \$10M still unspent from the original appropriation; of that amount, \$5.5M is obligated to the University of Idaho.

Co-Chairman Horman stated she understood this \$28M will complete the obligations to the childcare providers as well as eligible community partner providers.

Ms. Randolph explained the money in this motion would be for provider payments and provider wage enhancements. She noted **Director Jeppesen's** comments that this motion could impact DHW's ability to pay the \$5.5M obligation to the University of Idaho.

In a response to a committee question, **Ms. Randolph** explained the \$14M reduction in spending authority in the motion before the committee. Earlier in the legislative session, **Director Jeppesen** shared \$36M had been set aside for the community partner grants. DHW believes some entities may have been ineligible for those dollars. The \$14M reduction is the combined amount for the FY 2022 and FY 2023 payments to those alleged ineligible providers.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. VanOrden requested, and it was granted by unanimous consent, to reopen the FY 2023 budget for the Department of Health and Welfare.

MOTION:

Sen. VanOrden made a motion, seconded by **Rep. Raybould**, for FY 2023, for the Division of Welfare, the reduction of \$14,394,000 in trustee and benefit payments from the Cooperative Welfare (Federal) Fund, for the purpose of recouping alleged ineligible payments made by the Department of Health and Welfare to alleged ineligible community partner providers.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 15 AYES, 4 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Cook. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy. Representatives voting in opposition to the motion: Lambert, Tanner, Nash.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Co-Chairman Grow gave explanation about the next motion. JFAC has been looking for another agency to distribute these funds for childcare providers while DHW is under investigation for funding alleged ineligible childcare providers. This motion will authorize the Department of Labor to distribute the additional \$28M. He emphasized this is the final payment of ARPA money; this onetime federal funding was intended to assist providers in weathering the effects of the Covid-19 pandemic. There is no intention to continue this funding with state monies.

Ms. Randolph stated DHW has indicated the \$28M will maintain the provider grants at the same level as currently distributed. The \$25K will allow the Department of Labor to distribute these funds.

MOTION:

Sen. VanOrden made a motion, seconded by **Rep. Raybould**, for FY 2023, for the Division of Welfare in the Self-Reliance Operations Program, an additional \$28,025,000 onetime in operating expenditures from the Cooperative Welfare (Federal) Fund for the purpose of childcare provider grants and wage enhancements.

The committee discussed the motion.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 3 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Cook. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Randolph explained it was necessary to reopen the FY 2023 budget for the Department of Labor and appropriate the dollars just appropriated to DHW. Due to the nature of the grant itself, DHW is the only allowable recipient for these federal dollars. The Department of Labor will receive these monies as a sub-grantee in trustee and benefit payments. The Department of Labor will distribute the monies from a dedicated fund. In state government, one entity typically receives the monies as federal funds, and the sub-grantee receives the monies as dedicated funds and distributes the monies to the intended recipients.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. VanOrden requested, and it was granted by unanimous consent, to reopen the FY 2023 budget for the Department of Labor.

MOTION:

Sen. VanOrden made a motion, seconded by **Rep. Raybould**, for FY 2023, for the Department of Labor in the Administrative Division, the addition of \$25,000 onetime in personnel costs and \$28,000,000 onetime in trustee and benefit payments from the Miscellaneous Revenue Fund, for a net increase of \$28,025,000.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 3 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, VanOrden, Adams, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Cook. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Randolph explained the language associated with these motions. In response to a committee question, Ms. Randolph explained the federal dollars previously expended by DHW were in alignment with federal grant requirements, but the department allegedly ran afoul of the state requirements for \$36M. The two sections of language below use the word "shall," which is the strongest language possible to direct any state entity.

**UNANIMOUS
CONSENT
REQUEST:**

Sen. VanOrden requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE:

SECTION __. DIRECTING USE OF FUNDS. Of the amount appropriated in Section __ of this act, the Department of Health and Welfare shall subgrant the entire amount to the Department of Labor to be used for child care grants to eligible providers for provider grants, wage enhancements, and eligible community partner providers pursuant to Section 6 of House Bill 764 of the Second Regular session of the Sixty-sixth Idaho Legislature.

SECTION __. REPORTING REQUIREMENTS. The Department of Labor shall follow all applicable guidance from the Department of Health and Welfare to ensure correct reporting on any grants distributed with moneys appropriated in Section __ of this act.

Co-Chairman Horman put the committee at ease at 8:45 a.m.

Co-Chairman Horman resumed the meeting at 8:46 a.m.

**UNANIMOUS
CONSENT
REQUEST:**

Co-Chairman Grow requested and it was granted by unanimous consent, to hold the trailer bill for **HCR 9** in committee, subject to the call of the Chair.

Mr. Jared Tatro, Deputy Division Manager, LSO Budget & Policy Analysis, explained the trailer bill necessary for **H 267**. The intent of **H 267** is to expand the capacity of career technical education (CTE), particularly in rural and remote communities. The proposed actions of this motion would be a cash transfer and appropriation to the Department of Education, as well as an appropriation to the Division of Career Technical Education.

MOTION:

Sen. Ward-Engelking made a motion, seconded by **Rep. Furniss**, for FY 2024, the appropriation and transfer of \$45,000,000 onetime from the In-Demand Careers Fund to the Idaho Career Ready Students Program Fund to be transferred on July 1, 2023, or as soon thereafter as practicable.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 15 AYES, 3 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Cook, Adams. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

MOTION:

Sen. Ward-Engelking made a motion, seconded by **Rep. Furniss**, for FY 2024, for the Department of Education in the Student Services Program, an additional \$45,000,000 in trustee and benefit payments from the Idaho Career Ready Students Program Fund.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 15 AYES, 3 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Cook, Adams. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

MOTION:

Sen. Ward-Engelking made a motion, seconded by **Rep. Furniss**, for FY 2024, for the Division of Career Technical Education for Secondary and General Programs, an additional \$5,000,000 in ongoing trustee and benefit payments from the In-Demand Careers Fund.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 15 AYES, 3 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: Herndon. Senators absent/excused: Cook, Adams. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Tim Hibbard, Analyst, LSO Budget & Policy Analysis, explained the trailer bill necessary for **H 236**. **H 236** creates the State Public Defender Act and creates one within the Public Defense Commission. This motion creates the Office of the Public Defender. The new agency would not be created until FY 2025, but positions noted in the fiscal note are requested in FY 2024.

MOTION: **Rep. Nash** made a motion, seconded by **Rep. Raybould**, for FY 2024, an additional \$4,380,700 from the General Fund for the Office of the State Public Defender program within the Public Defense Commission.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 16 AYES, 3 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: Bjerke, Herndon. Senators absent/excused: Adams. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, .**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Matt Farina, Analyst, LSO Budget & Policy Analysis, explained the trailer bill necessary for **H 24** and **S 1167**. These two bills expand the Idaho Launch Program. This motion appropriates \$5M for the Workforce Development Council and six FTP to prepare the expanded program for the next fiscal year.

MOTION: **Sen. Lent** made a motion, seconded by **Rep. Raybould**, for FY 2024, for the Workforce Development Council, an additional 6.00 FTP and \$5,000,000 from the In-Demand Careers Fund, with \$4,000,100 ongoing and \$999,900 onetime, for the purpose of expanding the Idaho Launch Program.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 15 AYES, 4 NAYS, 1 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: Bjerke, Herndon. Senators absent/excused: Adams. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Farina explained the \$15M supplemental appropriation for the Workforce Development Council. This motion would transfer the monies from the General Fund to the Workforce Development Training dedicated fund. This motion is related to the federal CHIPS act to produce more semiconductors in the United States. These funds would be utilized by the agency to provide grants to enhanced facilities and provide training to people interested in working in the semiconductor field.

In response to a committee comment, **Rep. Raybould** pointed out the facility being considered in this motion would provide advanced semiconductor manufacturing. Currently, the training for these advanced semiconductor manufacturing processes is only available in Taiwan. She stated this is an opportunity for Idaho to take a leadership role as the country on-shores critical manufacturing and makes efforts to increase national security.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Raybould requested, and it was granted by unanimous consent, to reopen the FY 2023 budget for the Workforce Development Council.

MOTION:

Rep. Raybould made a motion, seconded by **Sen. Lent**, for FY 2023, for the Workforce Development Council, the appropriation and transfer of \$15,000,000 from the General Fund to the Workforce Development Training Fund.

Rep. Raybould pointed out the cyclical nature of the semiconductor industry. She also stated Micron has indicated it will invest in retraining existing employees in these processes. Idaho is positioning itself to be a leader in the industry.

Co-Chairman Horman stated the recipients of these funds are scattered throughout the state and will serve Idahoans throughout the state.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Adams, Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

MOTION:

Rep. Raybould made a motion, seconded by **Sen. Lent**, for FY 2023, for the Workforce Development Council, an additional \$15,000,000 onetime from the Workforce Development Training Fund in trustee and benefit payments for the purpose of semiconductor workforce grants.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Adams, Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Petzke, Handy, Nash. Representatives voting in opposition to the motion: Lambert, Tanner.

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Mr. Farina explained the language associated with this budget.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Raybould requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE: SECTION_. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Workforce Development Council any unexpended and unencumbered balances appropriated to the Workforce Development Council from the Workforce Development Training Fund for the purpose of semiconductor workforce grants for fiscal year 2023, in an amount not to exceed \$15,000,000 from the Workforce Development Training Fund to be used for nonrecurring expenditures related to semiconductor workforce training grants for the period July 1, 2023, through June 30, 2024. The Office of the State Controller shall confirm the reappropriation amount with the Legislative Services Office prior to processing the reappropriation authorized herein.

Ms. Christine Otto, Principal Analyst, LSO Budget & Policy Analysis, explained the FY 2024 cash transfer for the Peace Officers Standards and Training (POST) Academy.

MOTION: **Rep. Handy** made a motion, seconded by **Sen. Burtenshaw**, for FY 2024, for the Peace Officer Standards and Training Academy, the appropriation and transfer of \$550,000 onetime from the General Fund to the Peace Officers Training Fund.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Adams, Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Tanner, Petzke, Handy. Representatives voting in opposition to the motion: Lambert, Nash.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

Ms. Janet Jessup, Principal Analyst, LSO Budget & Policy Analysis, explained the cash transfer to the Fire Depression/Suppression Fund. This continuously appropriated fund is utilized by the Department of Lands in suppressing fires.

MOTION: **Sen. Burtenshaw** made a motion, seconded by **Rep. Raybould**, for FY 2024, for the Department of Lands in the Forest and Range Fire Protection Program, a onetime appropriation and transfer of \$68,715,900 from the General Fund to the continuously appropriated Fire Suppression Deficiency Fund.

Rep. Raybould explained the numbers in this fund fluctuate depending on the fire season. This motion is an effort to be proactive and ensure state agencies have the necessary funds for fire-fighting efforts.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 18 AYES, 0 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Ward-Engelking, Just. Senators voting in opposition to the motion: None. Senators absent/excused: Adams, Herndon. Representatives voting in favor of the motion: Horman, Miller, Bundy, Raybould, Furniss, Lambert, Tanner, Petzke, Handy, Nash. Representatives voting in opposition to the motion: None.**

The majority having voted in the affirmative and without objection the legislation will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Co-Chairman Horman**.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:24 a.m.

Representative Horman
Chair

Alyson Jackson
Secretary