

MINUTES  
**HOUSE APPROPRIATIONS COMMITTEE**

**DATE:** Tuesday, March 18, 2025

**TIME:** 2:30 P.M.

**PLACE:** Room C310

**MEMBERS:** Chair Horman, Vice Chair Miller, Representatives Furniss, Handy, Petzke, Tanner(14), Manwaring, Mitchell, Price, Galaviz

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

**Chair Horman** called the meeting to order at 2:30 p.m.

**RS 32664:** **Mr. Alberto Gonzalez**, Administrator and Chief Information Officer of Information Technology Services (OITS), presented **RS 32664**, proposed legislation establishing a Cybersecurity and Resiliency Fund. He explained this revised proposal requires OITS to establish a five-year replacement cycle for information technology equipment. OITS will be required to update its replacement plan annually. OITS will submit the annual plan to the Division of Financial Management and undergo the regular JFAC appropriation process.

In response to committee questions, **Administrator Gonzalez** explained the purpose of this new legislation is to establish the fund, not to appropriate the funding. The Legislature will determine the adequate funding amount. The purpose of the fund is to purchase essential computer equipment to protect state agencies and the information they store.

**MOTION:** **Rep. Galaviz** made a motion to introduce **RS 32664**. **Motion carried by a voice vote.**

**S 1116:** **Mr. Jared Tatro**, Deputy Division Manager, LSO Budget & Policy, presented **S 1116**, legislation to change the budgeting process as it pertains to the Office of Administrative Hearings (OAH) through the Statewide Cost Allocation Plan (SWCAP) model. OAH's current billing model, which estimates costs in advance and submits a bill, has not been successful. It will be replaced with a cost-allocation model, similar to the one used by the Attorney General, State Controller, and State Treasurer. This new model will allocate costs based on the percentage of services used.

**MOTION:** **Rep. Manwaring** made a motion to send **S 1116** to the floor with a **DO PASS** recommendation. **Motion carried by a voice vote.** **Chair Horman** will sponsor the bill on the floor.

**S 1148:** **Mr. Keith Bybee**, Division Manager, LSO Budget & Policy, presented **S 1148**, legislation regarding Commissioner compensation. This bill would align Commissioner salary increases with those given to state employees, specifically for the Public Utilities Commission, State Tax Commission, and Industrial Commission. If passed by the House, the legislation will return to JFAC for funding as a trailer appropriation.

**MOTION:** **Rep. Handy** made a motion to send **S 1148** to the floor with a **DO PASS** recommendation. **Motion carried by a voice vote.** **Rep. Price** requested to be recorded as voting **NAY**. **Chair Horman** will sponsor the bill on the floor.

**H 325:** **Rep. Rasor** presented **H 325**, legislation regarding federal grants and the Idaho Housing and Finance Association (IHFA). The legislation will give JFAC oversight of federal housing funding grants given to IHFA to bring it in line with other federal funds.

The committee discussed the legislation. They noted these federal funds do not go through the State Treasury and expressed concerns about the effects on the Idaho Bond Bank Authority and the Idaho Building Authority.

**Mr. Brady Ellis**, Executive Vice President, Idaho Housing and Finance Association (IHFA), testified **in opposition** to the bill. He pointed out IHFA, an independent body, administers grants directly without state involvement. He stated several federal agencies perform regular audits of IHFA. Mr. Ellis argued the bill would undermine IHFA's independence, potentially harm its bonding activities, may impact the State's credit rating, and risk other entities taking over grant administration, which could negatively affect Idahoans. He stated federal grants are renewed annually, so existing programs wouldn't be grandfathered under the new system.

**Mr. John McDevitt**, General Counsel, IHFA, spoke **in opposition** to the bill. He explained treating IHFA as a state agency could blur its independent status, potentially impact its bond credit rating and violate constitutional debt limits. Mr. McDevitt cautioned linking IHFA to the state's budget process might affect its financial standing and the state's credit rating.

**Rep. Tanner (14)** spoke **in support** of the bill. He emphasized the importance of oversight and accountability for such entities, particularly in regard to new federal grants. He argued the legislation would not interfere with IHFA decisions but would ensure transparency and oversight.

**MOTION:** **Rep. Petzke** made a motion to **HOLD H 325** in committee.

**Rep. Petzke** spoke to his motion. He warned starting to appropriate non-state federal funds could set a dangerous precedent, potentially leading to the appropriation of federal funds for cities, school districts, and others.

The committee discussed using the audit process for accountability.

**ROLL CALL VOTE ON MOTION:** **Motion failed by a vote of 5 AYES, 5 NAYS. Voting in favor** of the motion: **Reps. Furniss, Handy, Petzke, Manwaring, Galaviz. Voting in opposition** to the motion: **Reps. Horman, Miller, Tanner (14), Mitchell, Price.**

**MOTION:** **Rep. Tanner (14)** made a motion to send **H 325** to the floor with a **DO PASS** recommendation.

**ROLL CALL VOTE ON MOTION:** **Motion failed by a vote of 5 AYES, 5 NAYS. Voting in favor** of the motion: **Reps. Horman, Miller, Tanner (14), Mitchell, Price. Voting in opposition** to the motion: **Reps. Furniss, Handy, Petzke, Manwaring, Galaviz.**

**MOTION:** **Rep. Galaviz** made a motion to approve the minutes of the February 26, 2025, meeting. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:35 p.m.

---

Representative Horman  
Chair

---

Alyson Jackson  
Secretary