MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Thursday, February 12, 2026
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Grow, Woodward, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway, Ward-Engelking, Wintrow Representative(s) Co-chairman Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green
ABSENT/ EXCUSED:	Representative **Co-chairman Tanner (14)**
CONVENED:	**Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at **8:00 a.m.** with a quorum present.

LSO STAFF PRESENTATION: **Department of Agriculture, LBB 5–003; Morgan Poloni, Senior Analyst, Legislative Services Office (LSO)**

Ms. Poloni presented a budget base review for the Department of Agriculture (see, attachment 1). The Idaho Department of Agriculture has eight divisions and 231 authorized full time positions (FTP). She presented a consolidated fund analysis, stating dedicated funds accounted for 58% of its FY 2026 budget. She highlighted the Pest Control Deficiency Fund and the Invasive Species Fund, which included quagga mussel treatment funding.

She reviewed five years of appropriations and expenditures for FY 22 – FY 26, noting FY 2025 included significant onetime and ongoing enhancements for quagga mussel treatment, livestock depredation compensation, the Resilient Food Systems Grant, and replacement items. In FY 2026, budget enhancements included pay adjustments for agriculture investigators, CEC for fruit and vegetable inspectors, as well as onetime funding for replacement items and IT hardware.

For FY 2027, the department requested ongoing funding for inspector pay adjustments (not recommended by the Governor), replacement items, OITS hardware, and reappropriation authority for the Resilient Food Systems Grant. The department also requested a onetime deficiency warrant of $1,298,600 for exotic pest responses and $3,393,000 for quagga mussel treatment expenses.

DISCUSSION: **Chanel Tewalt, Department of Agriculture Director** stood to address the Committee. She stated the Department of Agriculture had the highest number of separate funds of any state agency, which allowed transparency in spending. She recounted the 18- year history of legislative guidance on invasive species, starting with the 2008 Invasive Species Act, the 2009 creation of the sticker fund, and subsequent statutory and budget reforms in 2010, 2016–2017, 2022–2024. She explained that the statutory framework (Title 22, Chapter 19) clearly mandated the agency to control invasive species, which enabled the rapid response to quagga mussel detection in the Snake River in 2023. She highlighted that within weeks, the agency implemented the largest treatment of its kind in North America and by 2025 had reduced the impacted area by

50%, emphasizing the ultimate goal remained full eradication. She noted the agency's success relied on legislative direction, cross-agency cooperation, and careful use of deficiency warrants.

In response to Committee questions, Ms. Tewalt provided detail related to funding for quagga mussels. She stated a single female quagga mussel can produce 400,000–600,000 veligers per year, which attach to surfaces using extremely strong threads, making them highly invasive and capable of damaging infrastructure such as power plant cooling lines and irrigation systems. She stated the agency's response to quagga mussels depended on legislative direction and available funding. Cuts to funding could delay station openings or reduce hours, but critical border stations, like Bear Lake, would remain operational. Staffing and risk management were carefully considered, and partnerships with law enforcement could help mitigate impacts without additional cost. She stated research into novel solutions for quagga mussels, including biological controls, was ongoing. She stated chemical treatment costs increased primarily due to treating more river miles rather than chemical price increases. She emphasized that various treatment chemicals were evaluated for effectiveness, speed, and cost, but copper-based treatments remained the primary tool. She stated no known native species, including sturgeon, had proven effective at controlling quagga mussels in U.S. waterways, so biological restocking was not yet feasible.

In response to a Committee questions, she provided more detail related to the allocation for Resilient Food Systems Grant funds and replacement item costs.

LSO STAFF PRESENTATION:

State Liquor Division, LBB 6–101; Morgan Poloni, (LSO)

Ms. Poloni provided a base review for the State Liquor Division (see, attachment 2). The Liquor Division is composed of three divisions including: Retail Operations, Accounting and Analytical Services, and Procurement and Distribution. She stated that the division had 253 FTP with 11.75 vacancies as of November, 2025. She noted the division operated as a dedicated fund agency through the Liquor Control Fund, received no General Funds or federal funds, and functioned primarily like a business, generating revenue from liquor and permit sales. She explained that 2% of monthly revenue was transferred to the Drug Court and Family Services Fund within the judicial branch, revenues covered both appropriated and continuous expenditures, and remaining profits were distributed statutorily, with the largest FY 2025 recipients being the General Fund, cities, and counties.

She provided a five-year review of estimated and actual expenditures for FY 22 – FY 26, reporting the division typically spent about 93% of its appropriated funds, with recent increases largely due to personnel costs. In FY 25, the division received both ongoing and onetime enhancements for personnel costs, position changes, maintenance, and replacement items. In FY 26, budget enhancements included wage increases for temporary clerks, inventory shrink wrap, ADA website compliance, maintenance, vehicles, and OITS hardware.

For FY 27, she stated that the agency requested ongoing funding for inflationary adjustments and onetime funding for replacement items, and OITS hardware. She noted that all requests were for dedicated funds and were recommended by the Governor.

DISCUSSION: **Andrew Arulanandam, State Liquor Division Director** stood to answer questions from the Committee. He stated the State Liquor Division had submitted a priority list based on safety, legal exposure, and operational needs. He highlighted a recent shelving collapse at a Magic Valley store caused by aging equipment, noting that no one was hurt because it occurred after hours but that it posed liability risks.

In response to Committee questions, he provided detail related to out-of-state syndicate bulk purchases of lottery tickets. He explained these groups buy large quantities, sometimes disrupting retailers, and that winnings often leave the state. He stated Idaho has a $5,000 purchase limit which applied equally to in-state and out-of-state buyers.

Tony Faraca, State Liquor Division Chief Deputy and CFO, stood to answer a Committee question related to liquor markup practices. He stated Idaho's liquor markup is standardized, publicly available, and applied equally to all suppliers. He said the state uses a tiered markup system, where lower-priced products have a higher markup and higher-priced products have a lower markup. He stated while Idaho may not have the lowest prices nationally, pricing is set so it is not advantageous for customers to travel out of state to purchase liquor.

ADJOURNED: There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at **9:04 a.m.**

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Senator Grow
Chair

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Linsy Heiner
Secretary