

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Tuesday, January 20, 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
Representatives Co-chairman Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green

ABSENT/ EXCUSED: None

CONVENED: **Co-Chair 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: **Office of the State Board of Education (OSBE), LBB 1-0083 – Dr. Kevin Campbell, Principal Analyst, Budget & Policy Analysis Division, Legislative Services Office (LSO)**

Dr. Campbell presented the FY 2027 budget request for the Office of the State Board of Education (see, attachment 1). OSBE, led by Executive Director Jen White, operated three budgeted programs: administration, IT and data management, and the School Safety and Security Program. OSBE had 85.25 FTP with nine vacancies. Over the prior five years, it averaged 65.75 FTP, with 95% of positions filled and 90% of personnel costs spent on personnel.

He provided a Consolidated Fund Analysis for FY 23– FY 27, including dedicated funds supporting OSBE. He summarized a five-year history of appropriations and expenditures, noting significant ARPA and COVID-19 funding, which had been spent or reverted by FY 2026.

Expenditures were broken down by category: 39.3% trustee and benefit payments, 17.9% personnel, 19.1% operating expenses (mainly professional services), and 23.6% capital outlay. He noted growth in total FTP from 56.75 to 85.25, reflecting the addition of IT and data management from the State Department of Education, the School Safety and Security Program, and centralized risk management. He outlined ongoing and onetime enhancement items for FY 25 and FY 26, and requested enhancements for FY 27. For FY 2027, OSBE requested two ongoing transfers and one onetime federal grant. The one-time request of \$4 million for Improvement of Secondary Education Grant, was a federal grant to fund subgrants for AI learning strategies in Idaho schools. He noted the Career Ready by Design grant had been withdrawn because it was not awarded to OSB. The measurable outcomes included student retention, degree completion, and improved risk management efficiency.

DISCUSSION:

In response to Committee questions, **Dr. Campbell** provided additional detail related to FTP and estimated expenditures.

In response to a Committee question regarding the ongoing enhancement request for Canvas LMS Renewal, **Ms. Jennifer White, OSBE Executive Director**, stood to address the Committee. She stated Canvas had improved student transfer experiences and collaboration between institutions. In reviewing Canva and other options, OSBE believed it remained the right solution for the state and planned to continue negotiating the contract carefully to ensure taxpayer savings.

In response to a Committee question about the proposed 3% ongoing budget reduction to colleges and universities, Ms. White stated college and university leadership was working to meet the proposed budget. She noted that institutional leaders were developing thoughtful plans to address the cuts, with tuition remaining a possible consideration. Leadership was concerned over the depth of cuts, emphasizing that such reductions first affect students by limiting teaching and advising capacity, creating bottlenecks in workforce programs, and extending time to degree—particularly impacting rural, first-generation, and working students. She emphasized these holdbacks risk reducing completions and workforce capacity at a time the state needs investment in workforce development and competitiveness. She also answered questions from Committee members related OSBE’s high level goals, as well as changes she sees in technology and education. She emphasized the evolving higher education funding landscape and the need for institutions to innovate, particularly in response to AI and emerging technologies. OSBE’s focus remained on preparing students for future careers—emphasizing adaptability, core skills, and the ability to pivot in a rapidly changing technological environment.

**AGENCY
PRESENTATION:**

Outcomes-Based Funding Report Jennifer White, OSBE Executive Director

Ms. White stated that after a legislative mandate, her office is starting to design an outcomes-based funding model focused on measurable student success rather than just student enrollment (see, attachment 2). She contrasted it with the outdated Enrollment Workload Adjustment (EWA) formula, noting EWA prioritized enrollment, hadn't been updated since 2006, lacked consistency, and didn't account for progression, completion, or workforce priorities.

She emphasized her team is collaborating with institutions and legislators to refine a proposal called Idaho First Outcomes-Based Funding, which places 10% of the base at risk. Institutions earn "momentum funds" based on weighted enrollment (25%), student progression (30%), and completions (45%). Unearned funds would return to the State Board for targeted interventions. The proposal prioritizes Idaho resident students, completion in high-demand workforce areas, and aligns with board priorities.

She emphasized phased implementation to avoid destabilizing institutions, particularly community colleges, and noted the need to review program

weights, dual enrollment, and data infrastructure. She highlighted the importance of reliable, comparable data and ongoing collaboration with institutions, the Workforce Development Council, and the Department of Labor. She concluded that next steps include refining the data, addressing community college priorities, and planning a multi-year phased rollout in partnership with the legislature.

DISCUSSION:

In response to Committee questions, **Ms. White** provided detail related to measurable student success, unused momentum funds, impact on community colleges, and expected time frame for rolling out the new funding model. She emphasized it would be at least a year before she would present something closer to ready to go to the legislature.

**LSO STAFF
PRESENTATION:**

Family Medical Residency Programs, LBB 1-0091 – Dr. Kevin Campbell, LSO

Dr. Campbell presented the budget request for the Family Medicine Residency Program, one of the state's health education programs (see, attachment 3). He explained the structure of Idaho's health education programs, including undergraduate medical education (UME), graduate medical education (GME), dental education, and veterinary education. The Family Medicine Residency (FMR) Program is Idaho's largest GME program with 153 residents and 25.3 FTP. He noted that residents were located at multiple sites across Idaho and that the program operated under a mixed funding structure, with some residents supported as state employees and others through trustee and benefit payments.

He reviewed FMR's expenditure breakdown, explaining that most funding supported residents through personnel costs and benefit payments. He presented a five-year history showing steady legislative investment and near-full expenditure of appropriations each year. He summarized recent legislative enhancements that funded additional residents and fellowships across the state from fiscal years 2023 through 2026, along with compensation and benefit increases.

For fiscal year 2027, he explained that FMR requested three enhancements totaling \$480,000: a family medicine obstetrics fellowship in Pocatello, one additional resident in Burley, and six additional residents in Nampa. He stated that all requests were recommended by the Governor and that the reported outcomes focused on expanding the number of highly trained physicians practicing in Idaho.

DISCUSSION:

Brandon Mickelsen, DO, Program Director, Family Medicine Faculty, Clinical Associate Professor stood to answer question from Committee members related to the proposed 3% budget holdback, adding residency positions, and attracting medical residency specialties.

Dr. Melissa 'Moe' Hagman, MD, Director for the Boise Internal Medicine Residency stood to address the Committee. She stated that while programs would manage the 3% holdback, continued approval of enhancements, such as the requested 15 residency slots, would signal ongoing commitment to expanding the state's capacity to train physicians through residency programs. She explained that this reassurance would allow institutions to continue

building and expanding residency programs to ensure Idaho had enough physicians to care for its residents. S

**LSO STAFF
PRESENTATION:**

Eastern Idaho Medical Residencies, LBB 1-0091 Kevin Campbell, LSO

Dr. Campbell presented the budget request for the Eastern Idaho Medical Residencies (see, attachment 4). He explained that EIMR was a newer residency program located at Eastern Idaho Regional Medical Center in Idaho Falls and trained residents in family medicine, internal medicine, and psychiatry. He noted that Dr. Jesse Hinckley, director of the psychiatry residency program, was present to answer questions.

He reported that EIMR had 60 residents and no FTP, operated solely with General Fund support, and spent nearly 100% of its appropriations, all within the trustee and benefits category. He reviewed recent legislative actions, highlighting steady increases in residency positions, including funding for family medicine residents in FY 2023 and psychiatry residents in fiscal years 2024, 2025, and 2026.

For FY 2027, he stated that EIMR again requested funding for four psychiatry residents, a request that had been recommended by the Governor. He concluded that the reported outcome for the request was an increase in the number of highly trained physicians practicing in Idaho.

DISCUSSION:

Jesse Hinckley, MD, PhD, Program Director stood to answer questions from Committee members related to child psychiatry provider shortages, how to place medical residents in rural areas throughout the state, and how to prioritize Idaho residents in medical and residency placements.

**LSO STAFF
PRESENTATION:**

University of Utah Medical Education, LBB 1-0091 Kevin Campbell, LSO

Dr. Campbell presented the budget request for the University of Utah Medical Residencies Program (see, attachment 5). He explained that the University of Utah program was unique among health education programs because it included both undergraduate medical education (UME) and graduate medical education (GME) components. At the time, Idaho supported 40 UME students at the University of Utah Medical School and 13 GME residents specializing in psychiatry or child psychiatry who completed much of their clinical training in eastern Idaho in collaboration with Idaho State University.

He reported that in fiscal year 2026, the total appropriation for the program was \$3.1 million, with approximately \$727,500 supporting the 13 residents and \$2.4 million supporting the 40 medical students. All expenditures were in the trustee and benefits category. He reviewed the five-year budget history for FY 22 through FY 26. For fiscal year 2027, he stated that the program requested funding for three additional child psychiatry residents totaling \$180,000. He concluded that the Governor recommended the request and that the reported outcome was an increase in the number of qualified child psychiatrists practicing in Idaho.

DISCUSSION: **Elizabeth L. Botts, MD** stood to answer questions from Committee members related to the growth in demand for child psychologists, the impact of AI on mental health, the percentage of residency graduates now working in Idaho.

ADJOURNED: There being no further business before the Committee, **Co-Chair Grow** adjourned the meeting at 10:02 a.m.

Senator Grow
Chair

Linsy Heiner
Secretary