

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Friday, January 30, 2026  
**TIME:** 8:00 A.M.  
**PLACE:** Room C310  
**MEMBERS:** Senators Co-Chair Grow, Woodward, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway, Ward-Engelking, Wintrow  
Representatives Co-Chair Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green  
**ABSENT/  
EXCUSED:** Senators Woodward, Hart; Representative Green

**Co-Chair Tanner (14)** called the meeting to order at 8:00 a.m.

**Co-Chair Grow** welcomed attendees from Boise State University's Executive Educational Leadership program.

**Mr. Christopher Lehosit**, Senior Analyst, LSO Budget & Policy, reviewed updated revenue projections for the General Fund. For FY 2026, the Governor recommended \$5.5B and legislative action assumed \$5.6B; for FY 2027, the Governor recommended \$5.6B and legislative action assumed \$5.9B. He pointed out the recently introduced **H 503**, **H 556**, and **H 559** have fiscal notes and if passed, would impact the State's ending General Fund balance.

**Ms. Alex Williamson**, Senior Analyst, LSO Budget & Policy, provided an overview of the Division of Welfare (also known as Self-Reliance) in the Department of Health and Welfare (DHW), including its organizational structure. She also examined the consolidated fund analysis, the five-year appropriations and expenditures chart, and FY 2025 expenditures by expense class.

**Ms. Williamson** presented the FY 2027 onetime enhancement request for the DHW Division of Welfare related to required changes in the Medicaid eligibility system. Federal policy under **H.R. 1**, the One Big Beautiful Bill Act, now required eligibility renewals every six months instead of annually, increasing system and administrative workload. Recent state legislation also eliminated automated renewals, making the process more manual and further increasing costs.

The division's original FY 2027 request included \$1M in onetime General Fund moneys and federal funding to support semi-annual eligibility determinations for the Medicaid expansion population. However, updated federal guidance allows system costs to be fully federally funded, and Idaho received a larger-than-expected federal allocation. As a result, the Governor recommended \$1.96M, supported by federal funds, to implement the required system changes.

**Ms. Williamson** presented the FY 2027 ongoing enhancement requests for the DHW Division of Welfare. These included a Supplemental Nutrition Assistance Program (SNAP) request shifting \$4.3M ongoing from federal funds to the General Fund due to **H.R. 1**, which increased the State's share of SNAP administrative costs from 50% to 75% beginning October 1, 2026, resulting in a net-zero impact. She then reviewed a \$1.9M request related to Medicaid expansion work requirements, funded evenly between the General Fund and federal funds, as required by **H.R. 1** and **H 345**. She concluded with a request to restore transfer authority to the division.

**Ms. Williamson** provided an overview of DHW Mental Health Services, including its organizational structure. She also examined the five-year appropriations and expenditures chart.

**Ms. Williamson** presented the FY 2027 ongoing enhancement requests for Mental Health Services, which included a \$327K reduction to the juvenile corrections clinical transfer to allow direct appropriation to Juvenile Corrections and eliminate the pass-through process. She explained a prior-year decision shifted 51 FTP and \$6.3M from ongoing to onetime funding and directed DHW to review the program; following that review, DHW ended the Center of Excellence, consolidated staff into a single team, and requested \$2.1M in ongoing funding for 15 FTP to support children's behavioral health under the Jeff D. Settlement Agreement, with remaining funds supporting expanded services through the Idaho Behavioral Health Plan. She also noted the proposal reduces General Fund support for Allenbaugh House while partially restoring funding through a Governor's initiative, restores transfer authority, and combines adult and children's mental health into one program to better align with behavioral health plan billing.

**Ms. Williamson** provided an overview of DHW Psychiatric Hospitalization, including its organizational structure. She also examined the five-year appropriations and expenditures chart and FY 2025 expenditures by expense class.

**Ms. Williamson** presented budget enhancement requests for Psychiatric Hospitalization. These included a FY 2026 supplemental request for a net-zero adjustment to shift \$6M from federal funds to dedicated funds to implement the Idaho Behavioral Health Plan. In FY 2027, Psychiatric Hospitalization requested \$383K onetime for replacement items. FY 2027 ongoing requests included a fund shift for benefits and compensation increases from the endowment fund to the General Fund and dedicated funds; the endowment cannot fully cover statewide costs. There was also a net-zero adjustment tied to the Idaho Behavioral Health Plan and an endowment fund adjustment shifting \$212K from the General Fund to dedicated funds due to higher endowment distributions. Finally, Psychiatric Hospitalization requested restoration of transfer authority to allow greater flexibility in managing funds.

**Ms. Juliet Charron**, DHW Director, made brief remarks. She explained how, similar to other DHW budgets this year, these were primarily maintenance or restoration requests for items shifted to onetime funding last year. She added requests covered replacement items, new requirements from legislation like **H.R. 1**, and resources for systems changes and staffing to support twice-yearly eligibility redeterminations and work requirements.

In response to committee questions, **Co-Chair Tanner (14)** explained **H.R. 1** included not only tax conformity measures but also work requirements and additional Health and Welfare directives to ensure compliance with federal Medicaid rules. He noted the federal government previously covered SNAP administrative costs but has now shifted this responsibility to the states.

In response to committee questions, **Dir. Charron** explained the request to combine adult and children’s mental health funding into one pool was intended to give the department flexibility to cover services as needs fluctuate, while still tracking spending separately to maintain transparency and prevent commingling of funds.

In response to committee questions, **Dir. Charron** clarified the Center of Excellence was disbanded last year and the current request was limited to 15 FTP—down from approximately 50—to meet the Jeff D. Settlement Agreement requirements for children’s mental health services.

In response to committee questions, **Dir. Charron** indicated the State planned to begin Medicaid work requirement implementation at the one-month compliance mark.

In response to committee questions, **Dir. Charron** explained Magellan, as a department contractor, submitted monthly, quarterly, and annual deliverables which were reviewed closely; when performance concerns arose, DHW conducted audits or corrective actions, while noting Magellan had been a strong partner in program integrity and fraud prevention.

In response to committee questions, **Dir. Charron** explained DHW requested 12 new limited-term positions over five years for the Rural Health Transformation Fund, emphasizing these were not ongoing DHW positions, in addition to funding for an existing FTP for an epidemiologist to support data analysis and federal reporting requirements for the program.

In response to committee questions, **Dir. Charron** explained the Division of Behavioral Health budget included separate funding for psychiatric hospitals and the state psychiatric nursing facility, as well as distinct teams for designated exams, mental health block grants, and children’s services, noting all teams worked together but performed separate, non-duplicative functions.

**Co-Chair Tanner (14)** put the committee at ease at 9:30 a.m.

**Co-Chair Tanner (14)** resumed the meeting at 9:30 a.m.

In response to a committee question, **Dir. Charron** explained managed care plans contracted with the State to pay providers per member per month, and DHW had conducted retrospective reviews and audits to correct payments for deceased or relocated individuals, ensuring program integrity in current processes.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:44 a.m.

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Representative Tanner (14)  
Chair

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Alyson Jackson  
Secretary