

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Tuesday, February 17, 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:** Representative Miller

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

**Ms. Frances Lippitt**, Senior Analyst, LSO Budget & Policy, provided an overview of the Department of Administration, including its organizational structure. She also highlighted the consolidated fund analysis, the five-year appropriations and expenditures chart, the five-year base snapshot, and the budget enhancements for FY 2025 and FY 2026. She indicated the outcomes of the FY 2026 budget enhancements.

**Ms. Lippitt** presented the rescissions related to the ongoing 5% General Fund base reductions. These included a reduction of one FTP and \$71K for a shipping and receiving handler; \$200 in salary savings; \$62K in reallocation of department-wide costs; and \$15K moved from the General Fund to dedicated funds.

**Ms. Lippitt** introduced the FY 2027 enhancement requests for the Department of Administration. The ongoing requests included a net-zero fund shift of \$365K from the General Fund to dedicated funds to align utilities costs to rent revenue; 3.00 FTP and \$390K for Medicaid procurement and contract management staff; transfer of two FTP for training and administrative support; and \$276K for utility rate increases. The department's FY 2027 onetime requests included \$7K for computer equipment for the new FTP and \$344K for replacement computer hardware.

In response to committee questions, **Ms. Lippitt** explained the adjustment brought utility costs in line with the actual rates charged by Idaho Power. She stated the FY 2027 request to shift utility costs from the General Fund to dedicated funds applied to the utilities for constitutional officers' offices in the Capitol Mall, noting that because those officers did not pay rent, the State covered their rent and utility expenses.

**Mr. Steve Bailey**, Director of the Department of Administration, answered committee questions. He said the three requested positions would focus entirely on complex Medicaid managed care procurement and oversight, as enrollment in Medicaid managed care plans, currently at 6%, was expected to grow to 100% within three years. He explained Deloitte provided guidance, Medicaid supplied program expertise, and the Division of Purchasing conducted the procurement, with the new staff handling implementation and long-term contract management.

In response to a committee question, **Dir. Bailey** stated the department reduced reliance on the General Fund by moving printing operations to another agency, eliminating or repurposing vacant positions, realigning funds, and pursuing digital tools to cut costs while working toward becoming primarily supported by dedicated funds.

In response to committee questions, **Dir. Bailey** related a court stay had paused the MMIS contract. He explained the delay pushed back MMIS implementation and the planned managed care rollout, since the system had to be operational before the next phase could proceed; he noted the delay had financial impacts.

**Ms. Lippitt** provided an overview of the Permanent Building Fund (PBF) and explained the unique nature of the agency and budget, which is structured to accommodate the multi-year nature of large capital projects. She indicated over the last several years, the State invested \$1.1B in PBF for capital projects and maintenance, which increased interest earnings for building needs. Ms. Lippitt gave a high-level review of the five-year appropriations and year one expenditures chart, the five-year appropriations and expenditures chart, the Capital Budget Report, and the FY 2025 and FY 2026 budget enhancements.

**Ms. Lippitt** noted the committee's recent FY 2026 action to move approximately \$34M from canceled projects to the General Fund. She indicated the committee would consider a FY 2027 onetime shift of PBF interest earnings totaling approximately \$48.6M to the General Fund, in addition to \$3.9M in liquidation of diversified bond funding.

**Ms. Lippitt** presented the PBF FY 2027 enhancement requests. These included \$890K for design and planning for the Idaho National Guard Bonneville County Readiness Center and \$71.6M for statewide building maintenance projects.

In response to a committee question, **Ms. Lippitt** explained the Idaho State Police (ISP) initially received a \$9.9M appropriation for the Lewiston facility; after the original land purchase fell through, ISP requested an additional \$5.5M to acquire a new site and fund initial construction.

**Ms. Kelly Berard**, PBF Administrator, gave a brief update on the more than 600 projects under the purview of the Division of Public Works and answered committee questions. She explained state field representatives oversaw construction while third-party inspectors handled tests; their roles did not overlap.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:22 a.m.

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Representative Tanner (14)  
Chair

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Alyson Jackson  
Secretary