

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Monday, February 23, 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 Hart, Carlson; Representative Furniss

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

Ms. Janet Jessup, Principal Analyst, LSO Budget & Policy, provided an overview of the Department of Water Resources (DWR), including its organizational structure. She pointed out DWR supported the actions and directions of the Water Resource Board. Ms. Jessup also examined the consolidated fund analysis, highlighting several continuously appropriated funds not subject to legislative appropriation and noted many balances were already obligated to specific projects. She explained recent budget increases were due largely to ARPA State Fiscal Recovery funds, which were temporary and expected to phase out in coming years.

Ms. Jessup presented the DWR FY 2027 enhancement request, which included \$716K onetime for aquifer monitoring and measuring. She explained this \$716K was transferred annually as part of a multi-year process of loan repayment.

Mr. Mathew Weaver, DWR Director, made brief remarks and explained most of the dedicated funds have been obligated for multi-year water projects.

In response to a committee question, **Dir. Weaver** stated DWR and the Idaho Water Resource Board were actively managing the Eastern Snake Plain Aquifer (ESPA) in accordance with state law. He explained the aquifer had been declining for decades, and groundwater users must reduce pumping while the State increases recharge to 350K acre-feet. He noted legislation was in process to update the state water plan and said long-term stabilization would require ongoing recharge, reduced pumping, expanded management, and steady water conditions.

In response to a committee question, **Dir. Weaver** explained DWR managed budget cuts by reducing personnel and operating costs while protecting project funds. He added cuts to trustee and benefits moneys could reduce funding for the statewide stream gauging and groundwater monitoring networks by 25%. He stated DWR would prioritize gauges essential to public safety.

Mr. Jeff Raybould, Chairman, Idaho Water Resource Board, answered committee questions. He explained the \$30M appropriated last year was spent in Water Districts Three and Four for aquifer recharge and conversion projects, moving land from groundwater to surface water irrigation, with some water leased as needed. Additional funds supported monitoring programs to track water use. Chairman Raybould stated FY 2026 funds were fully obligated, and FY 2027 funds could support projects in the Bear River, Palouse Basin, ESPA, and Mountain Home Aquifer. He reported with current and planned infrastructure, the 350K acre-foot goal was expected to be reached in three to five years.

In response to a committee question, **Chairman Raybould** stated there had been significant private investment in water infrastructure. He explained the State provided grants covering up to 50% of project costs, with local entities supplying the remaining match. He indicated support helped irrigation districts repair or replace aging infrastructure and improve efficiency.

In response to a committee question, **Dir. Weaver** estimated annual recharge costs ranged from \$5-20M depending on water availability, with additional funds required for infrastructure projects. **Chairman Raybould** said another \$90M would likely be needed over five to seven years for the ESPA. He noted the Palouse and Treasure Valley aquifers also faced declining irrigation and less incidental recharge. The department planned small-scale recharge in the Treasure Valley to maintain stability and prevent future “catch-up” needs. He added \$30M per year might not cover all projects, as major work in the Palouse Basin, Elmore County, the ESPA, and Northern Idaho would require more funding. He called \$30M a good start and said DWR would keep the Legislature updated on progress and needs.

In response to a committee question, **Ms. Jessup** stated the Governor’s budget did not divert interest from any DWR funds back to the General Fund. She commented there was some interest diverted from dedicated funds associated with the Department of Environmental Quality budget.

The Co-Chairs introduced the House Page, **Paisley Miller**, and the Senate Page, **Drew Washow**, who will serve JFAC for the second half of the Second Regular Session of the 68th Idaho Legislature.

Ms. Jessup provided an overview of the Soil & Water Conservation Commission, including its organizational structure. She recognized germane legislation working its way through the Legislature to combine the agency with DWR; the information presented assumed the Commission was a standalone agency. Ms. Jessup stated if the germane legislation succeeded, the budget hearings for these two agencies would be scheduled to consolidate their budgets.

Ms. Jessup also examined the consolidated fund analysis and the five-year appropriations and expenditures chart, noting large onetime appropriations in 2022–2024 for agricultural water quality projects. She indicated most FY 2025 expenditures were in trustee and benefit payments, primarily to the Commission itself. Ms. Jessup reviewed the five-year base snapshot and the budget enhancements for FY 2025 and FY 2026.

Ms. Jessup explained the FY 2026 supplemental enhancement request for the Conservation Reserve Enhancement Program (CREP). She stated payments to participating landowners were tied to land values, which had increased, resulting in higher program costs. To address this, the Commission requested a FY 2026 supplemental onetime appropriation of \$13K from its dedicated Miscellaneous Revenue Fund and a FY 2027 onetime appropriation of \$87K. She further explained the Department of Water Resources had transferred \$100K from the Water Management Fund to the Commission’s Miscellaneous Revenue Fund to facilitate these appropriations. Any unspent funds would remain in the account and be available for use in FY 2028.

Dir. Weaver, Acting Administrator, Soil & Water Conservation Commission, made brief remarks. He explained he was appointed following the former administrator’s retirement and was later asked by the Governor’s office to evaluate a potential merger between the Commission and the Department of Water Resources. A third-party consultant conducted a four-month stakeholder review and ultimately recommended merging the two agencies, identifying necessary safeguards to ensure success.

Dir. Weaver reported those safeguards included maintaining the Commission’s statutory authority, preserving its voluntary and non-regulatory mission, and protecting technical and financial resources. He noted the Idaho Association of Soil Conservation Districts and the Idaho Department of Government Efficiency (DOGE) Task Force supported the merger. He added legislation had been introduced to transfer the Commission from the Department of Agriculture to the Department of Water, with further statutory and budget recommendations expected in 2027.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:20 a.m.

Representative Tanner (14)
Chair

Alyson Jackson
Secretary