

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Friday, February 27, 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 Cook, Bjerke

Co-Chair Tanner (14) called the meeting to order at 8:03 a.m.

Mr. Christopher Lehosit, Senior Analyst, LSO Budget & Policy, reviewed updated revenue projections for the General Fund. He highlighted recent changes from JFAC, including updates to FY 2026 and FY 2027 appropriations, enhancements approved by JFAC, and adjustments to reflect the Governor's recommendations. He noted total appropriations set by JFAC were currently 1.9% below the FY 2026 original appropriation. Mr. Lehosit also summarized recent bill activity with potential fiscal impacts, including four House bills moving to the Senate and one Senate bill moving to the House, and explained a new House bill replacing a previous Senate version.

Mr. Lehosit presented the revised FY 2027 enhancement budget for the State Tax Commission.

**UNANIMOUS
CONSENT
REQUEST:** **Rep. Harris** requested and it was granted by unanimous consent, to reconsider the FY 2027 enhancement budget for the Idaho State Tax Commission.

Rep. Harris explained the original FY 2027 enhancement budget for the State Tax Commission included \$209K for a Chief Operating Officer position; however, this role was already funded through an existing appropriation. He clarified this budget motion removed \$209K in personnel costs from the previously approved FY 2027 enhancement budget.

MOTION: **Rep. Harris** made a motion, seconded by **Rep. Mitchell**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$50,000 from dedicated funds for enhancement 1, Property Tax Education; to add \$400,000 onetime from dedicated funds for enhancement 2, System Automation; to add \$550,000 onetime from the General Fund for enhancement 3, FAST Tax Collection Services; to add \$353,000 onetime from the General Fund for enhancement 4, Seasonal Tax Employees; to add \$229,400 from dedicated funds onetime for replacement items; and to add \$762,000 from dedicated funds onetime for computer hardware recommended by the Office of Information Technology Services (OITS). This motion included, for FY 2027, for the Idaho State Tax Commission, an additional \$903,000 from the General Fund and \$1,441,400 from dedicated funds, for a total of \$2,344,400.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 17 AYES, 1 NAY, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking, Wintrow. Senators voting in opposition to the motion: Zuiderveld. Senators Absent/Excused: Cook, Bjerke. Representatives voting in favor of the motion: Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green. Representatives voting in opposition to the motion: None.**

Mr. Lehosit explained a section of language associated with this budget.

UNANIMOUS CONSENT REQUEST: **Rep. Harris** requested and it was granted by unanimous consent, to accept the following language:

LANGUAGE: USE OF APPROPRIATIONS: Of the moneys appropriated from the General Fund in Section __ of this bill, \$550,000 may only be used for FAST Tax Collection vendor payments. Any portion of this appropriation not utilized for this purpose shall revert to the General Fund and be reported to the Legislative Services Office.

Mr. Lehosit presented the first FY 2026 supplemental request for the Office of Information Technology Services (OITS). As part of its FY 2027 budget request, OITS planned to onboard 58 employees from the Department of Health and Welfare. This FY 2026 supplemental onetime appropriation of \$200K would support the purchase and installation of cubicles and chairs, as well as the setup of temporary workspaces in advance of employees beginning at the start of the fiscal year.

MOTION: **Rep. Petzke** made a motion, seconded by **Sen. Ward-Engelking**, for FY 2026, for the Office of Technology Services, the onetime addition of \$200,000 from the General Fund for Chinden Campus Building Furnishings.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 15 AYES, 3 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking, Wintrow. Senators voting in opposition to the motion: Zuiderveld. Senators Absent/Excused: Cook, Bjerke. Representatives voting in favor of the motion: Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Bruce, Green. Representatives voting in opposition to the motion: Price, Harris.**

Mr. Lehosit presented another FY 2026 supplemental request for OITS. The agency requested this onetime appropriation for development of a statewide data and research ecosystem. OITS reported the ecosystem would support advanced analytics, policy evaluation, and AI-driven innovation across Idaho. If approved, OITS planned to seek annual appropriations to continue the four-year project, for a total grant award of \$2,070,000.

MOTION: **Rep. Petzke** made a motion, seconded by **Sen. Ward-Engelking**, for FY 2026, for the Office of Technology Services, an additional 0.50 full-time position and the onetime addition of \$56,200 from federal funds for the E-CORE Federal Grant program.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 13 AYES, 4 NAYS, 3 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking. Senators voting in opposition to the motion: Zuiderveld. Senators Absent/Excused: Cook, Bjerke, Wintrow. Representatives voting in favor of the motion: Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Green. Representatives voting in opposition to the motion: Price, Bruce, Harris.**

Mr. Lehosit presented FY 2027 budget for the Office of Information Technology Services.

MOTION: **Sen. Ward-Engelking** made a motion, seconded by **Rep. Petzke**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$2,693,400 from the General Fund for enhancement 1, Enterprise Security; to add 1.50 FTP and \$454,400 from federal funds for enhancement 2, E-CORE Federal Grant; and to add 58.00 FTP and \$7,533,200 from dedicated funds for OITS modernization. This motion included, for FY 2027, for the Office of Information Technology Services, an additional \$2,693,400 from the General Fund, \$7,533,200 from dedicated funds, and \$454,400 from federal funds, for a total of \$10,681,000, and an additional 59.50 full-time equivalent positions.

Sen. Ward-Engelking spoke to her motion, informing the committee enhancement 1 primarily supported a firewall for state computer infrastructure. She also clarified the 58 FTPs represented personnel transferred from the Department of Health and Welfare to OITS.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 13 AYES, 5 NAYS, 2 ABSENT/EXCUSED.** **Senators voting in favor** of the motion: **Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking, Wintrow.** **Senators voting in opposition** to the motion: **Zuiderveld.** **Senators Absent/Excused: Cook, Bjerke.** **Representatives voting in favor** of the motion: **Tanner (14), Miller, Furniss, Petzke, Manwaring, Green.** **Representatives voting in opposition** to the motion: **Mitchell, Price, Bruce, Harris.**

Mr. Lehosit presented a section of language associated with this budget. The agency requested a onetime transfer of \$458,700 from the General Fund to the Statewide Cost Allocation Plan (SWCAP) fund to cover increased health insurance costs for the 58 transferred employees during the transition year. The transfer addressed a temporary cash flow issue and would not be needed in future years.

MOTION: **Rep. Petzke** made a motion, seconded by **Sen. Ward-Engelking**, to accept the following language:

LANGUAGE: CASH TRANSFER FOR PERSONNEL COSTS: There is hereby appropriated and the Office of the State Controller shall transfer \$458,700 from the General Fund to the Administration and Accounting Services Fund on July 1, 2026, or as soon thereafter as practicable for the period July 1, 2026, through June 30, 2027.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 17 AYES, 1 NAY, 2 ABSENT/EXCUSED.** **Senators voting in favor** of the motion: **Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking, Wintrow.** **Senators voting in opposition** to the motion: **Zuiderveld.** **Senators Absent/Excused: Cook, Bjerke.** **Representatives voting in favor** of the motion: **Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green.** **Representatives voting in opposition** to the motion: **None.**

Ms. Frances Lippitt, Senior Analyst, LSO Budget & Policy, presented the FY 2027 enhancement budget for the Military Division. She explained Enhancement 1 would provide dedicated fund appropriation to recover anticipated costs for administrative overhead related to administering grants in the Office of Emergency Management. Ms. Lippitt noted this motion was previously held at call of the Chair.

ORIGINAL MOTION:

Sen. Galloway made a motion, seconded by **Sen. Hart**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$120,000 for enhancement 1 for an increase in indirect cost recovery funds for the Office of Emergency Management. This motion included, for FY 2027, for the Military Division, an additional \$120,000 from dedicated funds.

Sen. Galloway spoke to her motion and explained it did not include restoration of the scholarship funds eliminated in the Rescissions Act. She expressed respect for service members but emphasized more pressing priorities included supporting vulnerable populations and funding essential government functions such as education data systems, child protection, and legal representation in the Ninth Circuit.

SUBSTITUTE MOTION:

Rep. Petzke made a substitute motion, seconded by **Sen. Ward-Engelking**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$120,000 for enhancement 1 for an increase in indirect cost recovery funds for the Office of Emergency Management and \$190,800 for enhancement 2 for the State Education Assistance Program. This motion included, for FY 2027, for the Military Division, an additional \$120,000 from dedicated funds and an additional \$190,800 from the General Fund, for a total addition of \$310,800 from all funds.

Rep. Petzke spoke to his substitute motion and described the funding as a form of compensation for the military. He noted Idaho ranked near the bottom nationally in tuition assistance programs for service members.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Substitute motion failed by a total vote of 8 AYES, 10 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: **Grow, Woodward, Ward-Engelking, Wintrow.** Senators voting in opposition to the motion: **Hart, Carlson, Zuiderveld, Galloway.** Senators Absent/Excused: **Cook, Bjerke.** Representatives voting in favor of the motion: **Furniss, Petzke, Manwaring, Green.** Representatives voting in opposition to the motion: **Tanner (14), Miller, Mitchell, Price, Bruce, Harris.**

The majority having failed to vote in the affirmative in both the Senate Finance Committee and the House Appropriations Committee, the substitute motion failed.

ROLL CALL VOTE ON ORIGINAL MOTION:

Original motion failed by a total vote of 10 AYES, 8 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: **Grow, Hart, Carlson, Galloway.** Senators voting in opposition to the motion: **Woodward, Zuiderveld, Ward-Engelking, Wintrow.** Senators Absent/Excused: **Cook, Bjerke.** Representatives voting in favor of the motion: **Tanner (14), Miller, Mitchell, Price, Bruce, Harris.** Representatives voting in opposition to the motion: **Furniss, Petzke, Manwaring, Green.**

The majority having failed to vote in the affirmative in the Senate Finance Committee, the original motion failed.

Mr. Noah Peterson, Analyst, LSO Budget & Policy, presented the FY 2027 enhancement budget for the Industrial Commission.

MOTION: **Rep. Miller** made a motion, seconded by **Sen. Woodward**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$288,000 onetime for enhancement 1, IRIS Maintenance Contract; to add \$20,000 ongoing for enhancement 2, Certified Idaho Workers' Compensation Specialist course and Annual Seminar; to add \$68,900 for enhancement 3, Peace and Detention Officer Disability Fund as requested; and to add \$63,700 for OITS hardware as requested. This motion included, for FY 2027, for the Industrial Commission, an additional \$440,600 from dedicated funds.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 16 AYES, 2 NAYS, 2 ABSENT/EXCUSED.** **Senators voting in favor** of the motion: **Grow, Woodward, Carlson, Galloway, Ward-Engelking, Wintrow.** **Senators voting in opposition** to the motion: **Hart, Zuiderveld.** **Senators Absent/Excused: Cook, Bjerke.** **Representatives voting in favor** of the motion: **Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green.** **Representatives voting in opposition** to the motion: **None.**

Mr. Peterson presented the FY 2027 enhancement budget for the Public Utilities Commission.

MOTION: **Sen. Woodward** made a motion, seconded by **Rep. Price**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$35,400 for OITS hardware as requested. This motion included, for FY 2027, for the Public Utilities Commission, an additional \$35,400 from dedicated funds.

ROLL CALL VOTE ON MOTION: **Motion carried by a total vote of 17 AYES, 1 NAY, 2 ABSENT/EXCUSED.** **Senators voting in favor** of the motion: **Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking, Wintrow.** **Senators voting in opposition** to the motion: **Zuiderveld.** **Senators Absent/Excused: Cook, Bjerke.** **Representatives voting in favor** of the motion: **Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green.** **Representatives voting in opposition** to the motion: **None.**

Ms. Janet Jessup, Principal Analyst, LSO Budget & Policy, presented the FY 2027 enhancement budget for the Idaho Department of Fish & Game (IDFG). She reminded the committee IDFG receives no moneys from the General Fund.

MOTION: **Rep. Furniss** made a motion, seconded by **Sen. Hart**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$8,210,800 onetime for fisheries habitat projects; \$4,050,000 for Good Neighbor Authority projects; \$500,300 for inflationary costs at fisheries; \$1,109,800 for temporary employees; \$200,000 onetime for wolf depredation response and control; \$791,100 for inflation at fisheries facilities; \$64,400 for customer communications services; \$278,700 for licenses and support; \$10,267,900 onetime for replacement items; and \$426,300 onetime for OITS replacement items. This motion included, for FY 2027, for the Department of Fish and Game, an additional \$14,945,400 from dedicated funds and \$10,953,900 from federal funds, for a total of \$25,899,300, and provided for reappropriation authority for previously appropriated Dedicated and Federal Fund moneys.

Rep. Furniss explained fisheries projects were funded through dedicated sources, including the Pacific Coast Salmon Recovery Fund, the Bonneville Power Administration Accord, and the National Oceanic and Atmospheric Association, which were sub-granted to IDFG by the Idaho Office of Species Conservation. Additional federal funds were received directly from the United States Fish and Wildlife Service under the Fisheries Restoration and Irrigation Mitigation Act. Inflationary adjustments included direct federal funding from the Bonneville Power Administration Accord. The motion requested reappropriation of onetime funds for projects extending beyond the fiscal year and to cover depredation reimbursements from the year in which they were requested. Of the total appropriation, \$6,794,300 was ongoing and \$18,678,700 was onetime.

**ROLL CALL
VOTE ON
MOTION:**

Motion carried by a total vote of 14 AYES, 4 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Woodward, Hart, Carlson, Galloway, Ward-Engelking, Wintrow. Senators voting in opposition to the motion: Zuiderveld. Senators Absent/Excused: Cook, Bjerke. Representatives voting in favor of the motion: Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Green. Representatives voting in opposition to the motion: Price, Bruce, Harris.

Ms. Morgan Poloni, Senior Analyst, LSO Budget & Policy, presented the FY 2027 enhancement budget for Public Health Services in the Department of Health and Welfare (DHW).

**ORIGINAL
MOTION:**

Rep. Bruce made a motion, seconded by **Rep. Mitchell**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$4,237,200 onetime for the Idaho Home Visiting Program; \$28,020,000 onetime for the restoration of the Immunization Assessment Fund; \$200,000 for Fee for Service Laboratory Testing; \$6,633,700 onetime for ARPA Funded Multi-Year Grants; \$478,700 onetime for HIV Prevention and Surveillance; \$299,600 onetime for Hepatitis Prevention and Surveillance; \$19,100 onetime from the General Fund to restore funding to the Suicide Prevention and Awareness Program; and to reduce 3.00 full-time positions and \$4,248,800 to move the Idaho Home Visiting Program to the Division of Early Learning and Development. This motion included, for FY 2027, for the Department of Health and Welfare, Division of Public Health Services, \$19,100 from the General Fund, an additional \$28,298,400 from dedicated funds, and \$7,328,000 from federal funds, for a total of \$35,645,500, and a reduction of 3.00 full-time equivalent positions.

Rep. Bruce stated his research indicated this motion had the strongest likelihood of passing in JFAC as well as on the House and Senate floors.

**SUBSTITUTE
MOTION:**

Sen. Wintrow made a substitute motion, seconded by **Rep. Furniss**, beginning with the FY 2027 JFAC Program Maintenance Budget, to add \$4,237,200 onetime for the Idaho Home Visiting Program; \$28,020,000 for the restoration of the Immunization Assessment Fund; \$822,100 onetime for Disaster Planning and Training; \$200,000 for Fee for Service Laboratory Testing; \$6,633,700 onetime for ARPA Funded Multi-Year Grants; \$478,700 onetime for HIV Prevention and Surveillance; \$299,600 onetime for Hepatitis Prevention and Surveillance; \$19,100 from the General Fund to restore funding to the Suicide Prevention and Awareness Program; \$1,000,000 onetime from the General Fund for the budget restoration of the Idaho Home Visiting Program; and to reduce 3.00 full-time positions and \$5,242,800 to move the Idaho Home Visiting Program to the Division of Early Learning and Development. This motion included, for FY 2027, for the Department of Health and Welfare, Division of Public Health Services, \$19,100 from the General Fund,

\$28,298,400 from dedicated funds, and \$8,150,100 from federal funds, for a total of \$36,467,600, and a reduction of 3.00 full-time equivalent positions.

Sen. Wintrow described the Idaho Home Visiting Program as an evidence-based service for high-risk families, providing in-home support from pregnancy until a child turned two. The program operated with three funding sources: General Fund, federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program funds, and Medicaid. She explained Medicaid covered many participating families but paid less than half of total costs. General Fund dollars filled the gap, and funds could not be used interchangeably.

Rep. Bruce clarified the program was not being eliminated. He stated \$4.2M would still be provided, and Medicaid billing would continue to support services.

In response to a committee question, **Ms. Poloni** confirmed the \$1M rescission was recommended by the Governor.

**ROLL CALL
VOTE ON
SUBSTITUTE
MOTION:**

Substitute motion failed by a total vote of 8 AYES, 10 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Woodward, Ward-Engelking, Wintrow. Senators voting in opposition to the motion: Hart, Carlson, Zuiderveld, Galloway. Senators Absent/Excused: Cook, Bjerke. Representatives voting in favor of the motion: Furniss, Petzke, Manwaring, Green. Representatives voting in opposition to the motion: Tanner (14), Miller, Mitchell, Price, Bruce, Harris.

The majority having failed to vote in the affirmative in both the Senate Finance Committee and the House Appropriations Committee, the substitute motion failed.

**ROLL CALL
VOTE ON
ORIGINAL
MOTION:**

Original motion failed by a total vote of 12 AYES, 6 NAYS, 2 ABSENT/EXCUSED. Senators voting in favor of the motion: Grow, Hart, Carlson, Galloway. Senators voting in opposition to the motion: Woodward, Zuiderveld, Ward-Engelking, Wintrow. Senators Absent/Excused: Cook, Bjerke. Representatives voting in favor of the motion: Tanner (14), Miller, Petzke, Manwaring, Mitchell, Price, Bruce, Harris. Representatives voting in opposition to the motion: Furniss, Green.

The majority having failed to vote in the affirmative in the Senate Finance Committee, the original motion failed.

Mr. Keith Bybee, Division Manager, LSO Budget & Policy Analysis, presented proposed budget language for the State Controller and the State Treasurer. He explained the language was developed with the LSO auditor to establish a formal cash reconciliation process between the Treasury Accounting Transaction Reporting System (TATRS) and LUMA.

**UNANIMOUS
CONSENT
REQUEST:**

Rep. Mitchell requested and it was granted by unanimous consent, to include the following language in the Constitutional Officers maintenance appropriation:

LANGUAGE:

The Office of the State Controller shall use an appropriate amount of moneys appropriated to such office in Section 1 of this act to complete an accurate cash account balance and activity reconciliation by fund as follows:

1. The Office of the State Controller shall reconcile all cash account balances and activity in LUMA to cash account balances and activity maintained in the Treasury Accounting Transaction Reporting System (TATRS), as reconciled to bank statements, for the month beginning July 1, 2023, and each consecutive month thereafter, through June 30, 2026. This cash reconciliation shall occur for each fund and agency, including the control agency.
2. The Office of the State Controller shall report its findings on the accuracy of cash balances after reconciliation as of June 30, 2026, to the Joint Finance-Appropriations Committee (JFAC) and the Legislative Services Office. Such report shall be made at the fall interim meeting of JFAC or by October 16, 2026, whichever is earlier.
3. The Office of the State Controller shall maintain all documentation to support these cash reconciliations by fund and agency reported in LUMA and TATRS and provide that documentation as necessary for audit to support the opinion on the Annual Comprehensive Financial Report for the State.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 9:37 a.m.

Representative Tanner (14)
Chair

Alyson Jackson
Secretary