

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Thursday, March 12, 2026

TIME: 8:01 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-chairman Grow, Woodward, Cook, Bjerke (Bjerke), Hart, Rundhaug (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-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at **8:01 a.m.** with a quorum present.

LSO STAFF PRESENTATION: **FY 2027 Commission on Aging, LBB 6-041 – Alex Williamson, Senior Analyst, Legislative Services Office (LSO)**
Ms. Williamson presented the Commission on Aging FY 27 budget enhancements before the Committee. She stated the Idaho Commission on Aging, operating under federal and state law, plans and coordinates services for aging Idahoans, focusing on those most at risk. She outlined programs including meals, transportation, caregiver support, Adult Protective Services, and the Senior Legal Assistance Program. She noted that for FY 2027, the commission submitted a maintenance budget with no enhancements, but after additional 2% cuts, \$129,900 in General Funds was being reconsidered specifically to support the Meals on Wheels senior nutrition program.

MOTION: Moved by **Senator Ward-Engelking**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$129,900 for budget restoration for senior nutrition. For FY 2027, for the Commission on Aging, an additional \$129,900 from the General Fund; seconded by **Representative Miller**.

DISCUSSION: **Representative Tanner** spoke against the motion, stating he could not support the funding structured as ongoing versus onetime.

FAILED:

Ayes: 11
Senators Grow, Woodward, Cook, Ward-Engelking, Wintrow
Representatives Miller, Furniss, Petzke, Manwaring, Bruce, Green

Nays: 9
Senators Bjerke, Hart, Carlson, Zuiderveld, Galloway
Representatives Tanner, Mitchell, Price, Harris

Ab/Ex: 0
Chairman Grow stated having failed to reach a majority in the Senate, the motion fails.

MOTION: Moved by **Representative Petzke**, beginning with FY 2027 JFAC Program Maintenance Budget add \$129,900 onetime for budget restoration for senior nutrition. For FY 20 27 for the Commission on Aging an additional \$127,900 from the General Fund; seconded by **Senator Ward-Engelking**.

DISCUSSION: **Representative Petzke** stated the only difference with the new motion is that it was onetime.

CARRIED:

Ayes: 14

Senators Grow, Woodward, Cook, Bjerke, Ward-Engelking, Wintrow
Representatives Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell,
Bruce, Green

Nays: 6

Senators Hart, Carlson, Zuiderveld, Galloway
Representatives Price, Harris

Ab/Ex: 0

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

LSO STAFF PRESENTATION: **FY 2027 Department of Health & Welfare (DHW): Division of Welfare, LBB 2-033 – Alex Williamson, LSO**

Ms. Williamson presented the DHW Division of Welfare FY 27 budget enhancements before the Committee. She provided a summary sheet from DFM (see, attachment 1). She reviewed the Division of Welfare, which provides assistance programs including child support, SNAP, temporary family assistance, and eligibility determination for Medicaid and ICCP. She summarized the FY 2027 budget, noting three enhancements linked to the One Big Beautiful Bill Act and House Bill 345: adjustment of SNAP administrative cost shares, implementation of work and community engagement requirements, and six-month redetermination of expansion eligibility. She also highlighted a onetime request for system changes.

MOTION: Moved by **Senator Cook**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$4,321,200 from the General Fund and reduce \$4,321,200 from federal funds for the SNAP Federal Rate Adjustment; add \$1,868,400 for Medicaid Expansion Work Requirements; and add \$1,960,700 for Medicaid Eligibility System Changes. For FY 2027, for the Department of Health and Welfare, Division of Welfare, an additional \$5,255,400 from the General Fund and a reduction of \$1,426,300 from federal funds for a total of \$3,829,100; seconded by **Senator Wintrow**.

DISCUSSION: Committee members discussed: Medicaid eligibility system changes (line item 20) and cost increase due to changed requirements, onetime expenses, concerns about increasing state responsibility as federal funding decreases, Medicaid work expansion requirements (line item 19), and associated staffing needs to comply with legislative mandates.

CARRIED:

Ayes: 15

Grow, Woodward, Cook, Bjerke, Carlson, Galloway, Ward-Engelking, Wintrow, Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell, Bruce

Nays: 4

Hart, Zuiderveld, Price, Harris

Ab/Ex: 1

Green

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

**LSO STAFF
PRESENTATION:**

FY 2027 DHW: Indirect Support Services, LBB 2-073 – Alex Williamson, LSO

Ms. Williamson summarized the Division of Indirect Support Services in the Department of Health and Welfare, explaining that it provided policy direction, administrative leadership, and management support, including management services, IT, legal, the director's office, and communications. She described the Governor's FY 2027 recommendation, which included an enhancement to move 19 FTP and \$3.1 million from the cooperative welfare dedicated fund to the miscellaneous revenue fund to track the background check unit separately. She outlined replacement item requests totaling \$430,000 for State Hospital West and North, plus LED upgrades funded by federal dollars. She noted the IT Modernization and Consolidation Project, which would transfer 58 FTP to the Office of Information Technology Services, and includes associated general and federal fund costs. She also mentioned funding for the Rural Health Transformation Program to be included via a trailer bill, and she highlighted that the fiscal impact of S 1314, repealing certain health boards, would be rolled into the enhancement bill for streamlined consideration.

MOTION:

Moved by **Senator Wintrow**, beginning with the FY 2027 JFAC Program Maintenance Budget: reduce 19.00 FTP and \$3,106,400 from the Cooperative Welfare Dedicated Fund and add 19.00 FTP and \$3,106,400 from the Miscellaneous Revenue Fund for a budget-neutral fund source change for the Background Check Unit; then add \$430,000 for replacement items; reduce 58.00 FTP and add \$524,900 for OITS modernization; and reduce \$150,000 for the fiscal impact of 81314. For FY 2027, for the Department of Health and Welfare, Indirect Support Services Division, an additional \$188,600 from the General Fund, \$345,000 from dedicated funds, and \$271,300 from federal funds, for a total of \$804,900, and a reduction of 58.00 fulltime equivalent positions; seconded by **Senator Cook**.

CARRIED:

Ayes: 17

Senators Grow, Woodward, Cook, Bjerke, Hart, Carlson, Galloway, Ward-Engelking, Wintrow
Representatives Tanner, Miller, Petzke, Manwaring, Mitchell, Price, Bruce, Harris

Nays: 1

Senator Zuiderveld

Ab/Ex: 2

Representatives Furniss, Green

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

**LSO STAFF
PRESENTATION:**

FY 2027 DHW: Mental Health Services FY 2027, Add Back – Alex Williamson, LSO

Ms. Williamson presented the DHW Mental Health Services FY 27 budget enhancements before the Committee. She explained that ongoing cuts totaling \$777,100 affected both children's and adult mental health.

MOTION:

Moved by **Senator Wintrow**, for fiscal year 2027, for the Department of Health and Welfare, in the Division of Mental Health Services, the onetime addition of \$777,100 from the General Fund for FY 2027 budget restoration; seconded by **Senator Bjerke**.

DISCUSSION:

Senator Wintrow stated the adult mental health program had reduced the number of designated examiners, which created delays in required evaluations for patients on psychiatric holds. She explained that this backlog was harmful to patients and prolonged unnecessary institutional stays. She also emphasized that maintaining enough qualified clinicians was critical, especially for both adult and children's mental health services, and was an important issue in their ongoing lawsuit.

CARRIED:

Ayes: 15

Senators Grow, Woodward, Cook, Bjerke, Carlson, Galloway, Ward-Engelking, Wintrow

Representatives Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell, Bruce

Nays: 4

Senators Hart, Zuiderveld

Representatives Price, Harris

Ab/Ex: 1

Representative Green

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

**LSO STAFF
PRESENTATION:**

**DHW: Department-wide Decision, Transfer Language Morgan Poloni,
Senior Analyst, LSO**

Ms. Poloni presented proposed budget language before the Committee. The proposed language would grant certain divisions within the Department of Health and Welfare an exemption from FY 2027 transfer restrictions on personnel and benefit funds. She said that instead of applying the exemption agency-wide, the workgroup recommended a division-by-division approach. She noted that some divisions had already been approved and that this proposal would extend the exemption to the remaining ones. She added that the transfer authority was used to cover mandated services during staffing shortages and to address unexpected costs within divisions, while still remaining subject to a 10% cap.

**UNANIMOUS
CONSENT
REQUEST:**

Senator Cook requested unanimous consent to accept proposed budget language. **Representative Price** objected.

MOTION:

Senator Cook moved, seconded by **Senator Galloway** to accept the following language:

LANGUAGE:

Section __. TRANSFER LIMITATION EXEMPTION. Notwithstanding any other provisions of law to the contrary, the Department of Health and Welfare, Division of __ may transfer personnel costs and trustee and benefit payments pursuant to Section 67-3511, Idaho Code, for the period of July 1, 2026, through June 30, 2027.

**SUBSTITUTE
MOTION:**

Moved by **Representative Mitchell**, seconded by **Representative Harris** to accept the following language:

**SUBSTITUTE
MOTION
LANGUAGE:**

Section __. TRANSFER LIMITATION EXEMPTION. Notwithstanding any other provisions of law to the contrary, the Department of Health and Welfare, Division of __ may transfer personnel costs and trustee and benefit payments pursuant to Section 67-3511, Idaho Code, for the period of July 1, 2026, through June 30, 2027.

**CARRIED
(SUBSTITUTE
MOTION):**

Ayes: 16

Senators Grow, Woodward, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway,

Representatives Tanner, Miller, Petzke, Manwaring, Mitchell, Price, Bruce, Harris

Nays: 4

Senators Ward-Engelking, Wintrow

Representatives Furniss, Green

Ab/Ex: 0

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

**LSO STAFF
PRESENTATION:**

FY 2027 DHW: Independent Councils, LBB 2-111 Morgan Poloni, LSO

Ms. Poloni stated the Independent Councils consisted of the Domestic Violence Council and the Developmental Disabilities Council. She said the Domestic Violence Council was created to ensure support services for victims of domestic violence, sexual assault, and child abuse, and was primarily funded through federal funds along with state fees on marriage licenses and divorce filings. She described the Developmental Disabilities Council as coordinating public and private efforts to help individuals with developmental disabilities achieve independence and community integration. She added that the FY 2027 maintenance budget for the councils was \$15,112,800 with 11 FTP, and that there were no enhancement requests.

DISCUSSION:

Senator Wintrow made a **39H** declaration for the record, stating she owns a leadership development firm and did some training for the council last year.

MOTION:

Moved by **Senator Cook**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$60,000 ongoing for a budget restoration to the Domestic Violence Council. For FY 2027, for the Department of Health and Welfare, Independent Councils an additional \$60,000, from the General Fund.; seconded by **Representative Bruce**.

CARRIED:

Ayes: 18

Senators Grow, Woodward, Cook, Bjerke, Hart, Carlson, Galloway, Ward-Engelking, Wintrow

Representatives Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell, Bruce, Harris, Green

Nays: 2

Senator Zuiderveld
Representative Price

Ab/Ex: 0

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

**LSO STAFF
PRESENTATION:**

FY 2027 DHW: Early Learning and Development, LBB 2-019 – Morgan Poloni, LSO

Ms. Poloni reminded the Committee of a prior discussion about language related to the Idaho Child Care Program Capacity Grant and said the updated version in the packet had been modified to address those concerns. She then presented the revised language for the Committee's consideration.

MOTION:

Moved by **Representative Mitchell**, seconded by **Representative Bruce** to accept the following language:

LANGUAGE:

Section __. IDAHO CHILDCARE PROGRAM CAPACITY. (1) Of the amount appropriated or reappropriated for year two of the Idaho Child Care Program Capacity through the Cooperative Welfare (Federal) Fund, the Department of Health and Welfare shall prioritize: executing contracts, programs and grants to expand the availability of licensed, license-exempt and unlicensed home-based child care, out-of-school child care programs or center-based child care. No less than \$9 million shall be reserved for home-based care, out-of-school childcare programs and underserved children. For the purposes of this funding, underserved populations are foster children, children with disabilities, infants and toddlers, children needing non-traditional hours care, homeless children, and school-aged children. After all qualifying providers are approved, the department may make available to all childcare providers unused funding from the set-aside. The funds shall be used to start or expand capacity for such programs and may not be used to supplant existing costs. (2) The director of the Department of Health and Welfare shall not allocate funds:

- (a) for construction or major renovations as defined in 45 CFR 98.2;
- (b) for activities prohibited by 45 CFR 98.56;
- (c) for minor remodeling;
- (c) to a school district;
- (d) to any provider who is currently under investigation by the department, the attorney general, or a county prosecutor for fraud or the misuse of public funds; or
- (e) to any provider who has admitted or was previously found by a court, administrative tribunal, jury, or other neutral fact finder to have committed fraud or misused public funds.

For purposes of paragraph (d), a provider shall not be deemed to be under investigation solely on the basis of having received a civil investigation demand requesting information, where no subsequent investigative or enforcement action has been taken.

DISCUSSION:

In response to a question from **Senator Cook** asking for a clear statement of the problem the proposal addressed, **Representative Mitchell** explained that the intent was to provide clearer guidance on spending funds, noting that much of the previously allocated money had gone unused. He stated the revised language incorporated federal references, addressed concerns from a prior letter, and clarified the term "under investigation" with input from the Attorney General's office. When asked, he confirmed the revisions were based on the letter and legal guidance, but did not know how long investigations typically last.

In response to a Committee question, **Juliet Charron, Idaho Department of Health and Welfare Director** stood to address the Committee. She stated that upon reviewing the language, she noticed some clarifications had been made but still found certain terms unclear or undefined, such as "out of school care." She explained that the lack of specificity made it difficult to understand the intent, particularly since it could be interpreted broadly. She also raised concerns about the investigation language, noting that federal investigations might not be accounted for and that providers may not always be aware when they are under investigation. She concluded by stating these were remaining questions she had about the language.

Senator Cook suggested the sponsor consider withdrawing the motion to allow more time to work with the department director and ensure the language was fully clear and effective, given the significant funding involved. **Representative Mitchell** responded that he believed the language was already sufficiently clear and noted it included provisions for how funds could be used after serving qualifying providers. Further Committee questions focused on unclear terms, particularly "out-of-school care" and "qualifying providers." When asked to clarify, **Representative Mitchell** acknowledged he was not entirely certain about the definition of "out-of-school care," suggesting it might be addressed in referenced federal code, and reiterated that attorneys had helped craft the language.

CARRIED:

Ayes: 12

Senators Grow, Bjerke, Hart, Carlson, Zuiderveld, Galloway
Representatives Tanner, Miller, Mitchell, Price, Bruce, Harris

Nays: 8

Senators Woodward, Cook, Ward-Engelking, Wintrow
Representatives Furniss, Petzke, Manwaring, Green

Ab/Ex: 0

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

DISCUSSION:

Senator Wintrow stated the Committee was overstepping its role, arguing that the issue resembled policy matters better suited for a germane policy committee. She stated her objection to making those types of decisions within JFAC.

**UNANIMOUS
CONSENT
REQUEST:**

Representative Mitchell requested and was granted by unanimous consent, to withdraw the following language from the Early Learning and Development Budget:

LANGUAGE:

Section __. IDAHO CHILDCARE PROGRAM CAPACITY. (1) Of the amount appropriated or reappropriated for year two of the Idaho Child Care : Program Capacity through the Cooperative Welfare (Federal) Fund, the Department of Health and Welfare shall prioritize: executing contracts, programs and grants to expand the availability of licensed and non-licensed home-based childcare, community childcare, and after-school childcare programs. No less than \$9 million shall be reserved for home-based care, after-school childcare programs and innovative childcare models. If there are not sufficient applicants, then the funds can be awarded to community providers. The funds shall : be used to start or expand capacity for such programs and may not be used to supplant existing costs.

(2) The director of the Department of Health and Welfare shall not allocate funds:

- (a) for constructing or remodeling buildings, sidewalks, or parking lots;
- (b) for major or minor renovations of buildings;
- (c) to a school district or other publicly funded entities that provide childcare;
- (d) to any provider who is currently or has previously been under investigation by the department, the attorney general, or a county prosecutor, for fraud or in

connection with misuse of public funds; and
(e) to any provider who previously used funds in a manner inconsistent with legislative directives.

(3) The director of the Department of Health and Welfare is directed to only fund programs that need onetime investment to help expand long-term availability of childcare without creating a need for ongoing public subsidies.

(4) The director of the Department of Health and Welfare shall prioritize underserved children, including school aged.

**UNANIMOUS
CONSENT
REQUEST:**

Representative Mitchell requested and was granted by unanimous consent, to withdraw the following language from consideration:

LANGUAGE:

1. Background: This motion requires the Department of Health and Welfare to engage in an open and competitive bid process for Idaho STARS.

2. Language:

Section_The department shall engage in an open, competitive acquisition process for Idaho STARS to manage childcare provider eligibility, develop and implement the Quality Rating and Improvement System (QRIS), provide and maintain an online childcare finder tool for families, and provide technical assistance and resources to providers and parents. The department may engage in an open, competitive acquisition process for statewide professional development services. An emergency existing therefore, which emergency is hereby declared to exist, Section X of this act shall be in full force and effect on and after passage and approval.

3. Actions:

**LSO STAFF
PRESENTATION:**

FY 2027 Office for Species, Mineral, and Energy Coordination - Noah Peterson, Analyst, LSO

Mr. Peterson presented the proposed budget before the Committee. He explained that the proposal created the Office of Species, Mineral, and Energy Coordination by consolidating the Office of Species Conservation and the Office of Energy and Mineral Resources, following prior Committee actions and in response to H 737. He said the action would combine the maintenance budgets of both offices into the new agency and included several line items, such as a net-zero personnel and funding realignment, funding for the Idaho nuclear program, and previously requested but not recommended items. He also noted the inclusion of onetime funding for energy resiliency grants, explaining it was necessary because the new agency did not yet have an existing appropriation from which to reappropriate funds.

MOTION:

Moved by **Representative Harris**, for fiscal year 2027, add 11.00 FTP and \$12,781,300 to consolidate the Office of Energy and Mineral Resources; add 16.00 FTP and \$19,966,300 to consolidate the Office of Species Conservation; reduce 4.00 FTP and \$356,900 to capture efficiencies from the consolidation; reduce 0.43 FTP and \$21,400 from the Indirect Cost Recovery Fund and increase 0.43 FTP and add \$21,400 from dedicated funds to align personnel funding within the agency as requested; add \$106,900 to support Idaho Orchestrating Nuclear; add \$3,000,000 for statewide fisheries projects; and add \$10,609,800 onetime from the Miscellaneous Revenue Fund for Energy Resiliency Grants. In total, for FY 2027, for the Office of Species, Mineral, and Energy Coordination, \$1,685,700 from the General Fund, \$11,826,000 from dedicated funds, and \$32,595,700 from federal funds for a total of \$46,107,400, and 23.00 full-time equivalent positions.; seconded by **Representative Bruce**.

CARRIED:

Ayes: 19

Senators Grow, Woodward, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway, Ward-Engelking, Wintrow, Representatives Tanner, Miller, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green

Nays: 1

Representative Furniss

Ab/Ex: 0

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation. There being no objection, it was so ordered by **Chairman Grow**.

DISCUSSION:

Co-Chairman Grow thanked the Committee members, analysts, LSO staff, and the Governor's office for their hard work and dedication in handling a \$14 billion budget, acknowledging the long hours and detailed efforts involved. He stated JFAC would adjourned at the call of the chair.

ADJOURNED:

There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at **8:58 a.m.**

Senator Grow
Chair

Linsy Heiner
Secretary