

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Friday, March 20, 2026

**TIME:** 8:00 A.M.

**PLACE:** Room C310

**MEMBERS PRESENT:** Senators Co-chairman Grow, Woodward, Cook, Bjerke (Bjerke), Hart, 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 **8:02 a.m.** with a quorum present.

**LSO STAFF PRESENTATION:** **Health and Human Services Program Maintenance, Technical Correction: FTP - Alex Williamson, Senior Analyst, Legislative Services Office (LSO)**  
**Ms. Williamson** presented a technical correction for the Health and Human Services program maintenance budget. She noted that too many FTP positions had been reduced in the Division of Licensing and Certification, and the correction would adjust the reduction from five positions to three. She clarified that funding remained unchanged and only the staffing numbers were being updated.

**DISCUSSION:** In response to a question from **Co-Chair Tanner**, **Ms. Williamson** confirmed funding was still in the budget and FTP was inadvertently cut.

**MOTION:** **Sen. Cook** made a motion, seconded by **Rep. Furniss**, for Fiscal Year 2027, an additional 2.00 FTP for the Department of Health and Welfare, Division of Licensing and Certification, and cap full-time equivalent positions at 2,944.77.

**CARRIED:**

**Ayes: 20**  
Senators Grow, Woodward, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway, Ward-Engelking, Wintrow  
Representatives Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green

**Nays: 0**  
**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:**

**Health and Human Services Program Maintenance: Amends Existing Law to Revise Provisions Regarding Legislative Approval for Comprehensive Medicaid Managed Care- Alex Williamson, Senior Analyst, LSO**

**Ms. Williamson** presented language related to a section of law created in the previous session that focused on the Division of Medicaid’s transition to comprehensive managed care. She reminded the Committee that the state had been working on a long-term plan to implement comprehensive managed care by 2029, which involved many components, including procuring a new Medicaid information system (MMIS). She explained that unexpected issues and legal challenges, particularly involving the claims payment module, had caused delays in the department’s timeline. She noted that although the department was now making progress, the delays had pushed the anticipated go-live date to January 2030. Because of this shift, she said the department needed more time to meet a deadline for submitting required state plan amendments and waivers to CMS. She stated the original deadline of July 1, 2026, was no longer feasible, and the department was requesting an extension to 2027, which the proposed language would implement.

**DISCUSSION:**

In response to Committee questions, Ms. Williamson stated the initial lawsuit has been resolved, but it caused a delay.

**MOTION:**

**Senator Cook** made a motion, seconded by **Representative Furniss**, to adopt the language below:

**LANGUAGE:**

Section \_\_. That Section 56-2204, Idaho Code, be, and the same is hereby amended to read as follows:

56-2204. LEGISLATIVE APPROVAL — COMPREHENSIVE MEDICAID MANAGED CARE. (1) The department of health and welfare is authorized to and shall submit to the centers for medicare and medicaid services all state plan and waiver authorities required to implement a plan for comprehensive medicaid managed care.

(2) The department of health and welfare shall:

(a) Take such actions as are necessary to implement the provisions of this section;

(b) Submit the application for federal approval of the state plan amendments and waivers required by this section no later than July 1, 2026 2027;

(c) Continue any existing managed care under the medicaid state plan and its waivers in effect at the time of the passage of this act until supplanted by the new comprehensive managed care plan required under this section; (d) Undertake cost containment strategies, such as bidding multi-year contracts with predetermined inflationary adjustments or withholding a percentage of capitation if managed care organizations do not meet these cost containment targets; and

(e) Engage medicaid providers and participants in the substance and design of a comprehensive managed care plan.

**CARRIED:**

**Ayes: 19**

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

**Nays: 1**

Senator Wintrow

**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**.

**AT EASE:**

The Committee went at ease at **8:14 a.m.** and was back in order at **8:25 a.m.**

**LSO STAFF  
PRESENTATION:**

**FY 2027 Public School Financing & Support, LBB 1-003 – Kellen McGurkin, Analyst, LSO**

**Mr. Kellen McGurkin** stated he would present three budget items to the committee: an FY 2026 supplemental for the Division of Student Support, the FY 2027 budget for that same division, and the budget for the Idaho Digital Learning Academy, all within the broader public school support budget. He reminded the committee that the public school support budget funded K–12 education across Idaho, including local school districts and charter schools, and was required by the state constitution to maintain a uniform system of free public schools. He also outlined the major divisions within the budget, such as teachers, student support, facilities, and educational services.

Focusing on the first item, he described the FY 2026 supplemental request for the Division of Student Support, which funded programs like pupil transportation, discretionary funding, health insurance, administrator salaries, and various state and federal initiatives. He explained that the supplemental request would add \$7.8 million in onetime federal funding to allow Idaho schools to fully access their available federal grants for the fiscal year, with a corresponding request to make the increase ongoing in FY 2027. He noted that the largest federal funding categories included nutrition programs, support for high-poverty schools, and special education.

**MOTION:**

**Senator Ward-Engelking** made a motion, seconded by **Representative Petzke**, for FY 2026, for Public Support in the Division of Student Support, \$7,800,000 from the Federal Grant Fund.

**CARRIED:**

**Ayes: 18**

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

**Nays: 2**

Senator Zuiderveld

Representative Bruce

**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-Chair Grow** stated the Committee had the authority to make policy, but preferred not to, emphasizing that policy decisions and budgets were ideally handled by the relevant germane committees. He noted that ongoing efforts were still taking place in the education committees, but as the legislative session was nearing its end, the Committee was taking a more proactive approach. He stated that they were setting budgets in anticipation of expected policy outcomes, with the understanding that the allocated funding would align with whatever final policy decisions those committees produced.

**Co-Chair Tanner** expressed frustration that the policy-setting committees had failed to act, despite efforts by JFAC Co-Chairs to visit germane committees and communicate the budget challenges and encourage action. He explained that these committees had been passing policies for years that increased costs, yet later criticized the growing budget, which he said was a direct result of those same policies. He argued that the responsibility to address these cost drivers rested with the policy committees, and that their inaction made it harder to manage the budget.

**Senator Wintrow** stated the legislature passes policy to innovate and to provide services for communities and maybe the Legislature should access reserve funds.

**LSO STAFF  
PRESENTATION:**

**Mr. McGurkin** presented the FY 2027 enhancement budget for Public School Financing and Support and explained that the department had requested seven budget enhancements. He described the first enhancement, which proposed creating a special education high-needs fund, supported by a policy bill, with a one-time \$5 million allocation to help schools cover the higher costs of educating students with significant needs.

He outlined the second enhancement, a net-zero shift of \$2.25 million in English language learner (ELL) funding from the central services division to the student support division, allowing funds to be distributed directly to local education agencies for greater flexibility.

He noted the third enhancement, which continued the \$7.8 million increase in federal funds to ensure schools could access their full federal grant allocations in FY 2027.

He explained additional enhancements, including allowing unused classroom technology funds to be used as discretionary funding, changing digital curriculum funding to a competitive distribution model, and implementing various population-based funding adjustments for transportation, staffing, and other costs.

He stated significant population forecast adjustments were requested across divisions, while the Governor recommended no new General Fund increases for FY 2027, instead using the Public Education Stabilization Fund to cover additional costs and directing any interest from that fund back to the General Fund.

**MOTION:** **Representative Petzke** made a motion, seconded by **Senator Ward-Engelking**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$7,800,000 for Federal Spending Authority, reduce \$4,141,200 from the General Fund and add \$4,141,200 from the Public School Endowment Fund for Endowment Fund Adjustments, and reduce \$2,610,400 for Population Forecast Adjustments. Then reduce \$18,500,800 for the Classified Staff Adjustments. For FY 2027, for Public School Support, Student Support Division, a reduction of \$25,252,400 from the General Fund, an additional \$4,141,200 from dedicated funds, and \$7,800,000 from federal funds for a total reduction of \$13,311,200.

**SUBSTITUTE MOTION:** **Senator Ward-Engelking** made a substitute motion, seconded by **Senator Wintrow**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$7,800,000 for Federal Spending Authority, reduce \$4,141,200 from the General Fund and add \$4,141,200 from the Public School Endowment Fund for Endowment Fund Adjustments, and reduce \$2,610,400 for Population Forecast Adjustments. Then reduce \$18,500,800 for the Classified Staff Adjustments and add \$9,030,100 for Health Insurance Funding. For FY 2027, for Public School Support, Student Support Division, a reduction of \$16,222,300 from the General Fund, an additional \$4,141,200 from dedicated funds, and \$7,800,000 from federal funds for a total reduction of \$4,281,100.

**DISCUSSION:** **Senator Ward-Engelking** explained that the only difference between the substitute motion and the original motion was the addition of health insurance funding and clarified that funding was distributed based on support units (classrooms), not per employee. She pointed out that this method left many employees, especially classified staff and paraprofessionals, unfunded, and noted that fully funding health insurance on a per-employee basis would require about \$67 million more, showing that the state significantly underfunded school districts in this area. She described a prior commitment made in 2022 to fund health insurance for support units at the same level as state employees, but said that while state employees received a 14.4% increase, school districts not on the state plan were only given a 10.8% increase. She explained that many districts would end up paying more in premiums than they received, particularly those not on the state plan because they could not afford it due to the lack of funding for classified staff. She argued that the state was not meeting its earlier commitment and emphasized that, especially in a tight budget year with no new discretionary funding, it was critical to provide the full promised funding for health insurance.

**AMENDED SUBSTITUTE MOTION:** **Representative Price** made a motion, seconded by **Representative Miller**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$7,800,000 for Federal Spending Authority, reduce \$4,141,200 from the General Fund and add \$4,141,200 from the Public School Endowment Fund for Endowment Fund Adjustments, and reduce \$2,610,400 for Population Forecast Adjustments. Then reduce \$8,000,000 for the Classified Staff Adjustments. For FY 2027, for Public School Support, Student Support Division, a reduction of \$14,751,600 from the General Fund, an additional \$4,141,200 from dedicated funds, and \$7,800,000 from federal funds for a total reduction of \$2,810,400.

**DISCUSSION:** **Representative Price** stated her motion was the same as the first original motion, with the only difference being an \$8 M reduction for classified staff adjustments instead of \$18 M reduction in both the substitute motion and the original motion.

**FAILED  
(AMENDED  
SUBSTITUTE  
MOTION):**

**Ayes: 9**  
Senators Grow, Hart  
Representatives Tanner, Miller, Furniss, Mitchell, Price, Bruce, Harris  
**Nays: 11**  
Senators Woodward, Cook, Bjerke, Carlson, Zuiderveld, Galloway,  
Ward-Engelking, Wintrow  
Representatives Petzke, Manwaring, Green  
**Ab/Ex: 0**

**Chairman Grow** stated the motion having failed to vote in the affirmative in the Senate Finance Committee, the motion failed.

**FAILED  
(SUBSTITUTE  
MOTION):**

**Ayes: 5**  
Senators Woodward, Cook, Ward-Engelking, Wintrow  
Representatives Green  
**Nays: 15**  
Senators Grow, Bjerke, Hart, Carlson, Zuiderveld, Galloway  
Representatives Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell, Price,  
Bruce, Harris  
**Ab/Ex: 0**

**Chairman Grow** stated the motion having failed a vote in the affirmative in both the Senate Finance and House Appropriations Committee, the motion failed.

**FAILED  
(ORIGINAL  
MOTION):**

**Ayes: 8**  
Senators Grow, Woodward, Cook, Bjerke, Ward-Engelking, Wintrow  
Representatives Petzke, Green  
**Nays: 12**  
Senators Hart, Carlson, Zuiderveld, Galloway  
Representatives Tanner, Miller, Furniss, Manwaring, Mitchell, Price, Bruce,  
Harris  
**Ab/Ex: 0**

**Chairman Grow** stated the motion having failed to vote in the affirmative in the House Appropriations Committee, the motion failed.

**MOTION:**

**Senator Carlson** made a motion, seconded by **Representative Price**, beginning with the FY 2027 JFAC Program Maintenance Budget: add \$7,800,000 for Federal Spending Authority, reduce \$4,141,200 from the General Fund and add \$4,141,200 from the Public School Endowment Fund for Endowment Fund Adjustments, and reduce \$2,610,400 for Population Forecast Adjustments. Then reduce \$3,000,000 for Virtual School Discretionary Reduction. For FY 2027, for Public School Support, Student Support Division, a reduction of \$9,751,600 from the General Fund, an additional \$4,141,200 from dedicated funds, and \$7,800,000 from federal funds for a total of \$2,189,600.

**Senator Carlson** stated the motion included an \$8.3 million reduction to virtual school discretionary funding, describing it as a relatively small cut compared to other proposals. She noted that while there had been an effort to keep K–12 funding whole, this motion still represented a minor reduction to overall education funding. She emphasized the importance of virtual schools, stating that many students—especially those with special needs—relied on them because traditional public schools could not adequately serve them, and that parents were often taking on much of the educational responsibility, saving the state money. She argued that significantly cutting support for these programs would be harmful and not in the state's best interest. She also contrasted this motion with previous ones, noting those had reduced certified funds, and suggested that broader funding issues highlighted the need for a new funding formula to ensure money was allocated and used more effectively by school districts.

**Senator Wintrow** stated the budget cuts were not being applied equally, despite repeated claims throughout the session that all areas should share reductions evenly, and said she could not support proposals she viewed as disproportionate. She referenced a study on the virtual school program, noting that enrollment had grown dramatically from a few hundred students to about 7,000, and that a large majority of parents indicated they would not participate without the available supplemental funding. She expressed concern that this created a financial incentive for families to choose virtual schooling over traditional public schools, contributing to what she saw as a significant strain on the education budget.

**Senator Galloway** stated she would support the motion and responded to concerns about fairness by acknowledging that the cut was not equal across all education areas. She explained that K–12 funding was largely being protected, while virtual schools were taking the reduction, and argued that this unequal approach was intentional and necessary to make corrections. She noted that policy committees had already taken action by adding safeguards in response to earlier findings, and expressed confidence that the program could still effectively serve students. She concluded that, given these adjustments and the path forward, she supported the motion.

**Senator Ward-Engelking** emphasized the \$3 million in question was for transportation, which virtual schools did not require. She pointed out that virtual schools lacked classified staff such as cooks and custodians, unlike brick-and-mortar schools, though they still accessed public school facilities. She argued that K–12 schools were indeed experiencing cuts, noting a 3% ongoing reduction for the State Department of Education, reductions in healthcare funding, insufficient special education funding, and additional cuts to the schools for the deaf and blind. She highlighted that school districts received no new discretionary funds, despite rising utility costs, and concluded that K–12 schools were taking significant financial hits.

**SUBSTITUTE MOTION:**

**Representative Petzke** made a substitute motion, seconded by **Representative Furniss**, beginning with the FY 2027 JFAC program maintenance budget, add \$7,800,000 from the Federal Spending Authority, reduce \$4,141,200 from the General Fund, and add \$4,141,200 from the Public School Endowment Fund for endowment fund adjustments, and reduce \$2,610,400 for population forecast adjustments, then reduce \$9,200,000 from the classified staff adjustments. For FY 2027 for the Public School Support Student Support Division a reduction of \$15,951,600 from the General Fund an additional \$4,141,200 from dedicated funds and \$7,800,000 from federal funds for a total reduction of \$4,010,400.

**DISCUSSION:**

**Representative Petzke** stated he was reducing his original motion by half as an attempt at compromise. He addressed concerns about virtual programs, stating that the reduction to classified staff funding did not zero out the virtual programs, but amounted to just under a 5% cut for virtual charter programs. He noted that the cut was relatively minor, would also slightly affect some public districts with virtual programs, and emphasized that it did not impact the core educational services those programs provided, only the funding for classified staff, which would be reduced by half.

**FAILED (SUBSTITUTE MOTION):**

**Ayes: 10**

Senators Grow, Cook, Ward-Engelking, Wintrow  
Representatives Tanner, Furniss, Petzke, Manwaring, Bruce, Green

**Nays: 9**

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

**Ab/Ex: 1**

Woodward

**Chairman Grow** stated the motion having failed to vote in the affirmative in the Senate Finance Committee, the motion has failed.

**CARRIED (ORIGINAL MOTION):**

**Ayes: 12**

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

**Nays: 7**

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

**Ab/Ex: 1**

Senator Woodward

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**.

**UNANIMOUS CONSENT REQUEST:**

**Senator Carlson** requested and it was granted by unanimous consent, to accept the following language:

**LANGUAGE**

SECTION \_\_. VIRTUAL SCHOOL BUDGET REDUCTION. Notwithstanding Section 10 of S1362 as enacted by the Second Regular Session of the Sixty-Eighth Idaho Legislature, for the period July 1, 2026, through June 30, 2027, the distribution factor for discretionary funds for fully virtual schools shall be \$19,723 per support unit.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested unanimous consent to accept the following language:

**LANGUAGE:**

SECTION \_\_. TRANSPORTATION FUNDING. Notwithstanding Section 33-1006, Idaho Code and any other law to the contrary, for the period July 1, 2026, through June 30, 2027, the total moneys paid to school districts and charter schools for eligible transportation costs shall be reduced by \$7,500,000. The State Department of Education shall adjust the distribution proportionately across all eligible schools.

**Senator Ward-Engelking** objected.

**MOTION:**

**Representative Price** made a motion, seconded by **Sen. Galloway** to adopt the language.

**CARRIED:**

**Ayes: 16**

Senators Grow, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway  
Representatives Tanner, Miller, Furniss, Petzke, Manwaring, Mitchell, Price,  
Bruce, Harris

**Nays: 3**

Senators Ward-Engelking, Wintrow  
Representative Green

**Ab/Ex: 1**

Senator Woodward

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**.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested and it was granted by unanimous consent, to accept the following language:

**LANGUAGE:**

SECTION \_\_. VIRTUAL ENROLLMENT & ATTENDANCE REQUIREMENTS. School districts and public charter schools not authorized as a public virtual school that provide instruction to students through an online platform for any class, excluding those offered through the Idaho Digital Learning Academy, shall report to the State Department of Education and the Office of the State Board of Education which classes are online based, and the number of students enrolled in and attendance of students for each online class. School districts and public charter schools that offer classes through an online option must register those programs as virtual buildings in ISEE and record the students in those buildings accordingly.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested and it was granted by unanimous consent, to adopt the following language:

**LANGUAGE:**

SECTION \_\_. ENGLISH LANGUAGE LEARNER DISTRIBUTIONS. For fiscal year 2027 only, of the moneys appropriated in Section 5 of S1362, and set to be distributed pursuant to Section 26 of S1362, as enacted by the Second Regular Session of the Sixty-eighth Idaho Legislature, \$2,250,000 shall instead be transferred onetime from the Central Services Division to the Children's Programs Program by the State Department of Education and distributed pursuant to the requirements in Section 17 of S1362, as enacted by the Second Regular Session of the Sixty-eighth Idaho Legislature.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested and it was granted by unanimous consent, to adopt the following language:

**LANGUAGE:**

SECTION \_\_. AMENDING CONTENT AND CURRICULUM - TECHNOLOGY. That Section 27 of S1362 as enacted by the Second Regular Session of the Sixty-eighth Idaho Legislature be, and the same is hereby amended to read as follows:

CONTENT AND CURRICULUM - TECHNOLOGY. Of the moneys appropriated in Section 5 of this act, an amount not to exceed \$1,570,000 from the Public School Income Fund may be expended by the State Department of Education to contract for services that provide technology education opportunities and/or information technology certifications to students, including faculty that prepare students for college, career, or the workplace. Funding shall be awarded for projects that include three two or more of the following components:

- (1) Certification of skills and competencies;
- (2) Professional development for teachers;
- (3) Integration with curriculum standards;
- (4) Online access to research-based content and curriculum; or
- (5) Instructional software for classroom use. The State Department of Education shall provide a report to the Joint Finance-Appropriations Committee, the Senate Education Committee, and the House Education Committee by January 5, 2027, regarding the number and type of certificates earned by students and faculty.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested and it was granted by unanimous consent, to adopt the following language:

**LANGUAGE:**

SECTION \_\_. SPECIAL EDUCATION DATA. The State Department of Education shall compile and report aggregate information regarding special education expenditures and Medicaid reimbursements for local education agencies (LEAs) in Idaho. The report shall include, to the extent practicable under federal guidelines and using existing data sources, the total special education expenditures and revenues reported by LEAs, including state, local, and federal funds, and the total Medicaid reimbursements received by LEAs for special education services. To the extent practicable using existing data sources, the State Department of Education shall consult with the Legislative Service Office Budget & Policy Analysis Division on additional information to include in the report to best support legislative decision making. The department shall submit the report to the Joint Finance- Appropriation Committee and the Legislative Services Office Budget and Policy Analysis Division no later than December 15th.

**LSO STAFF  
PRESENTATION:**

**FY 2027 Idaho Digital Learning Academy (IDLA), LBB 1-031– Kellen McGurkin, Analyst, LSO**

**Mr. McGurkin** stated that the Idaho Digital Learning Academy (IDLA) operated under the public school support budget, providing online courses statewide, including dual credit, credit recovery, course overload, advanced opportunities, and subjects not offered at students' home schools. He noted that IDLA was funded at \$445 per enrollment and normally eligible for withdrawals and deposits from PSIF. He outlined IDLA's budget request for the year, which included an \$890,000 enhancement to account for a population forecast adjustment, reflecting projected enrollment growth from 58,000 to 60,000 students at the statutory \$445 rate. He reported that the Governor's recommendation excluded any population forecast adjustments for public school support, including IDLA, and also proposed a \$10 million cut to IDLA's appropriation, with language preventing any increase based on the statutory enrollment formula.

**MOTION:**

**Representative Price** made a motion, seconded by **Senator Carlson**, beginning with the FY 2027 JFAC Program Maintenance Budget: Reduce \$15,000,000 for the IDLA Budget Adjustment. For FY 2027, for the Idaho Digital Learning Academy, a reduction of \$15,000,000 from the General Fund. Committee members debated the motion, including in-depth discussions on proposed budget cuts, the importance of IDLA, policy versus budget decisions, fund balances in schools, and funding double dipping.

**FAILED:**

**Ayes: 11**

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

**Nays: 9**

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

**Ab/Ex: 0**

**Chairman Grow** stated the motion having failed to vote in the affirmative in the Senate Finance Committee, the motion has failed.

**MOTION:**

**Representative Price** made a motion, seconded by **Representative Miller**, beginning with the FY 2027 JFAC Program Maintenance Budget: Reduce \$13,500,000 for the IDLA Budget Adjustment. For FY 2027, for the Idaho Digital Learning Academy, a reduction of \$13,500,000 from the General Fund

**SUBSTITUTE  
MOTION:**

**Representative Petzke** made a substitute motion to hold the motion until the policy bill passes, seconded by **Senator Ward-Engelking**.

**DISCUSSION:**

**Representative Manwaring** asked whether procedurally the motion could be made. He stated the original motion failed, and questioned whether the original motion maker could bring another revised motion.

**AT EASE:**

The Committee went at ease at **9:45 a.m.** and was back in order at **9:48 a.m.**

**Chairman Grow** said based on what the parliamentarians said, the motion maker could proceed.

**FAILED  
(SUBSTITUTE  
MOTION):**

**Ayes: 11**

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

**Nays: 9**

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

**Ab/Ex: 0**

**Chairman Grow** stated the motion having failed to vote in the affirmative in both committees, the motion has failed.

**CARRIED  
(ORIGINAL  
MOTION):**

**Ayes: 12**

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

**Nays: 8**

Woodward, Cook, Ward-Engelking, Wintrow, 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**

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested unanimous consent to accept IDLA language.

**OBJECTION:  
MOTION:**

**Senator Ward-Engelking** objected to the unanimous consent request.

**Representative Price** made a motion, and **Senator Carlson** seconded, to accept the following language.

**LANGUAGE:**

SECTION\_. IDLA BUDGET ADJUSTMENT. Notwithstanding Section 33-907, Idaho Code, and any other provision of law to the contrary, no moneys shall be withdrawn from the Public Education Stabilization Fund for the Idaho Digital Learning Academy for services provided during the period July 1, 2026, through June 30, 2027. The Idaho Digital Learning Academy shall rely on existing cash balances for any costs associated with eligible enrollments above the appropriation. Notwithstanding Section 33-1020, Idaho Code, and any other provision of law to the contrary, the Idaho Digital Learning Academy shall reduce offerings and deny eligible enrollments as necessary to maintain a positive cash balance.

**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.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested unanimous consent to accept IDLA language.

**OBJECTION:**

**Senator Ward-Engelking** objected to the unanimous consent request.

**MOTION:**

**Representative Price** made a motion, and **Senator Carlson** seconded to accept the following language:

SECTION\_. DEI COMPLIANCE. The Idaho Digital Learning Academy shall verify that no state-appropriated funds are used to support courses related to diversity, equity, inclusion, or social justice ideology that do not comply with the dignity and nondiscrimination standards stated in Section 33-138, Idaho Code. The Idaho Digital Learning Academy shall submit a report to the Joint Finance-Appropriations Committee by December 1, 2026 to verify compliance. For any course found to be out of compliance, the report shall include details of all expenditures associated with that course. The format and content of the report will be determined in consultation with the Budget and Policy Analysis Division of the Legislative Services Office.

**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.

**UNANIMOUS  
CONSENT  
REQUEST:**

**Representative Price** requested unanimous consent to accept IDLA language.

**OBJECTION:**

**Ward-Engelking** objected to the unanimous consent request.

**MOTION:**

Moved by **Representative Price**, ; seconded by **Senator Galloway**, to accept the following language.

**LANGUAGE:**

SECTION\_. IDAHO DIGITAL LEARNING ACADEMY FUNDING PROCESS. The Legislature shall consider policies to verify funds provided by the state for match of individual student enrollment, which may include changing how the state, districts, charters, and public are billed for courses at the Idaho Digital Learning Academy (IDLA). To assist the Legislature, IDLA shall provide a report to the Budget and Policy Analysis Division of the Legislative Services Office that details the information and cost relating to each available service, class, and course, how IDLA determined the budgeted amount for each service, class, or course, and a detailed report on budgeted and expenditure data for costs associated with operating IDLA. Provided data on services, classes, and courses shall include data on the split of synchronous and asynchronous offerings, enrollments by course, enrollments by grade level, number of and type of courses, the split of course enrollments by LEA separated at the course level, and the number of graduation requirement courses versus elective courses with their related enrollments, and other defining factors. The report shall be provided no later than August 1, 2026, based on

data from the 2025-2026 school year. The format and content of the report will be determined in consultation with the Budget and Policy Analysis Division of the Legislative Services Office.

**CARRIED:**

**Ayes: 12**

Senators Grow, Woodward, Bjerke, Cook, Hart, Carlson, Zuiderveld, Galloway  
Representatives Tanner, Miller, Mitchell, Price, Bruce, Furniss, Petzke,  
Manwaring, Harris

**Nays: 8**

Senators Ward-Engelking, Wintrow  
Representative Green

**Ab/Ex: 0**

Both committees having voted in the majority, the motion has passed and without objection will carry a **DO PASS** recommendation.

**ADJOURNED:**

There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at **10:02 a.m.**

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Senator Grow  
Chair

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Linsy Heiner  
Secretary