

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, April 01, 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 **8:00 a.m.** with a quorum present.

LSO STAFF PRESENTATION: **1. FY 2026 Supplemental- Military Division - Frances Lippitt, Senior Analyst, Legislative Services Office (LSO)**

Ms. Lippitt stated the Military Division had requested a \$6.5 million supplemental federal appropriation to replace failing climate control systems at Idaho Air National Guard buildings at Gowen Field. She noted that the division had only recently learned the funding was available, and that approval would allow them to begin design and contracting, with remaining funds to be contractually obligated and carried forward into fiscal year 2027 pursuant to Section 67-3521, Idaho Code.

MOTION: Moved by Senator **Ward-Engelking**, for fiscal year 2026, for the Military Division in the Federal/State Agreements Program, a onetime appropriation of \$6,500,000 in federal funds for the purpose of replacing climate control systems in Air National Guard buildings at Gowen Field, seconded by **Representative Harris**.

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: 2. H793/ S1325/ H967 Trailer Appropriation Idaho State Police Commissioned Pay Plan -Noah Peterson, Analyst, LSO

Mr. Peterson stated the Idaho State Police had originally requested \$12.6 million from the Project Choice Fund for a new pay plan, but the funding depended on a fee increase that did not pass. He then outlined three alternative pieces of legislation to generate revenue: one redirecting beer excise tax funds, another creating a new license plate, and a third reallocating liquor account distributions. He noted the expected revenue from each and provided status updates on their progress. He reviewed a \$6.5 million personnel funding request from the Project Choice Fund, along with a smaller federal funds adjustment to align certain officers' pay with the new plan.

DISCUSSION: In response to a Committee question, **Mr. Peterson** answered a question regarding the fiscal note of H 967, stating a \$1.2 million reduction from cities and \$870,000 from counties, with the remainder from the General Fund.

MOTION: Moved by **Representative Petzke**, for fiscal year 2027, for the Division of Idaho State Police, the ongoing addition of \$6,500,000 from dedicated funds and \$195,000 from federal funds, for a total of \$6,695,000; seconded by **Senator Ward-Engelking**.

DISCUSSION: Committee members debated the motion and discussed: concerns about unstable funding for state police, the impacts of shifting liquor revenues away from local governments, federal grant money, and the need for a more stable, long-term funding approach versus the current reallocation strategy.

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: 3. S1362 Trailer- Idaho Digital Learning Academy (IDLA) - Kellen McGurkin, Analyst, LSO

Mr. McGurkin stated two pieces of language were being considered and could be approved independently. He described the first as a trailer to Senate Bill 1362 tied to House Bill 940, which proposed changes to fees for the Idaho Digital Learning Academy. He noted the amendment would allow higher fees for non-graduation courses if the bill passed, and that the measure could be reversed if the legislation did not ultimately pass.

UNANIMOUS CONSENT REQUEST: Requested by **Senator Galloway**, and granted by unanimous consent, the following language was adopted:

LANGUAGE: SECTION __. That Section 22 of Senate Bill No. 1362, as enacted by the Second Regular Session of the Sixty-eighth Idaho Legislature, be, and the same is hereby amended to read as follows:

SECTION 22. IDAHO DIGITAL LEARNING ACADEMY. The Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state-appropriated funds for the period July 1, 2026, through June 30, 2027, to achieve the following:

~~1. Tuition charged by IDLA to Idaho school districts and charter schools shall not exceed \$40.00 per enrollment.~~

~~2.~~ 1. Provide remedial coursework for students failing to achieve proficiency in one or more areas of Idaho's standards-based tests.

~~3.~~ 2. Pursuant to State Board of Education rule, IDAPA 08.02.03, provide advanced opportunities, including access to dual credit courses, for students. The preceding list shall not be construed as excluding other instruction and training that may be provided by the IDLA.

LSO PRESENTATION: **Mr. McGurkin** explained that the next piece of proposed language would override a restriction in S 1438, which had reduced funding for the Idaho Digital Learning Academy and limited its access to The Public Education Stabilization Fund. The change would restore access to PESF, but only if enrollment exceeded appropriated levels and the academy's projected ending cash balance fell below 25% of its annual appropriation.

MOTION: Moved by **Representative Petzke**, seconded by **Senator Woodward** to accept the following language:

LANGUAGE: SECTION __. Notwithstanding Section 4 of Senate Bill No. 1438, if enacted by the Second Regular Session of the Sixty-Eighth Idaho Legislature, and any other law to the contrary, for the period July 1, 2026, through June 30, 2027, the Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall be eligible for withdrawal from the Public Education Stabilization Fund if IDEA'S projected fiscal year ending cash balance is less than twenty-five percent (25%) of its fiscal year 2027 appropriation.

FAILED:

Ayes: 8

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

Nays: 12

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

Ab/Ex: 0

Chairman Grow stated having failed to achieve a majority vote in both the Senate and the House, the motion is failed.

LSO STAFF PRESENTATION: 4. H968 Trailer- Strategic Initiatives Distribution - Keith Bybee, Division Manager, Budget & Policy Analysis, LSO

Mr. Bybee stated a prior decision to transfer about \$32 million into the Strategic Initiatives Fund had included sending 40% out as grants, but the new proposal would instead distribute that portion through the Local Highway Distribution Fund. He noted this change would spread roughly \$12 million across all highway districts using an established formula rather than awarding a limited number of grants.

UNANIMOUS CONSENT REQUEST: **Representative Green** requested unanimous consent to accept language.

OBJECTION: **Senator Wintrow** objected to the unanimous consent request.

MOTION: Moved by **Representative Green**, and seconded by **Representative Miller** to accept the following language:

LANGUAGE: Section __. That section 5 of House Bill No. 968, as enacted by the Second Regular Session of the Sixty-eighth Idaho Legislature, be, and the same is hereby amended to read as follows: Section

5. CASH TRANSFER TO THE STRATEGIC INITIATIVES PROGRAM FUND AND LOCAL HIGHWAY DISTRIBUTION FUND FOR FISCAL YEAR 2026. There is hereby appropriated and the Office of the State Controller shall transfer 50% of the interest earnings generated in fiscal years 2024, 2025, and 2026 to the American Rescue Plan Act State and Local Fiscal Recovery Fund or \$32,877,300, whichever is greater, to be distributed 60% to the Strategic Initiatives Program (Dedicated) Fund and 40% to the Local Highway Distribution Fund as soon as practicable for the period July 1, 2025, through June 30, 2026. The amount shall be confirmed with the Legislative Services Office Budget and Policy Analysis Division.

DISCUSSION: The Committee discussed funding methods and formulas, equity between large and small counties, and the origin of the proposal.

CARRIED:

Ayes: 16

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

Nays: 4

Senators Woodward, Cook, Ward-Engelking, 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**.

LSO STAFF PRESENTATION: 5. Budget Stabilization Statutory Cap - Keith Bybee, Division Manager, Budget & Policy Analysis, LSO

Mr. Bybee stated the next agenda item concerned transfers in and out of the Budget Stabilization Fund. He acknowledged a budgeting oversight, noting that the fund has a 15% cap under Idaho law and that updated revenue projections would have triggered an automatic \$53 million transfer back to the General Fund in 2027. He said the proposed language would prevent such automatic transfers without legislative approval, consistent with actions taken in previous years.

DISCUSSION: The Committee discussed the history and purpose of the Budget Stabilization Fund, the 15% cap of revenues automatically transferring from BSF to the General Fund under Idaho, whether excess funds should remain in BSF or be transferred to the General Fund, cash management strategy and legislative flexibility for future transfers, and past occurrences of automatic transfers and incremental increases to the BSF.

UNANIMOUS CONSENT REQUEST: **Representative Harris** requested unanimous consent to accept language.

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

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

LANGUAGE: Budget Stabilization Fund Balance (no transfer) CASH TRANSFERS FROM THE BUDGET STABILIZATION FUND IN FISCAL YEARS 2026 AND 2027. Notwithstanding the provisions of Section 57-814, Idaho Code, which limits the allowable balance in the Budget Stabilization Fund to fifteen percent (15%) of total General Fund receipts for the fiscal year just ending and requires the Office of the State Controller to transfer excess moneys in the Budget Stabilization Fund back to the General Fund, and any other provision of law to the contrary, the Office of the State Controller shall not transfer funds from the Budget Stabilization Fund to the General Fund for the period June 1, 2026, through June 30, 2027.

CARRIED:

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**.

ADJOURNED: There being no further business before the Committee, **Co-Chairman Grow** adjourned the meeting at **8:51 a.m.**

Senator Grow
Chair

Linsy Heiner
Secretary