

2026 Legislative Session – Week 6 Report

This week began with Governor Little telling reporters that while he remains concerned about proposed agency budget reductions, the Legislature has primary control over the appropriations process. He offered little objection to the additional cuts imposed above his recommendations, and it appears all but certain that most state agencies will face ongoing cuts with sweeping, negative impacts on programs and services across state government. Separately, JFAC's co-chairs held a press conference to defend the additional reductions they have advanced beyond the Governor's holdback, citing revenue uncertainty and the constitutional requirement to maintain a balanced budget. They pushed back on agencies' published "worst-case" reduction scenarios, indicating they believe there are additional savings within state government.

S1331, the FY26 budget rescission legislation intended to codify the additional one-time reductions to most agencies for the remainder of the current fiscal year, was sent to the Senate floor. At the same time, JFAC began taking up enhancement budget requests for additional appropriations beyond the maintenance budgets passed for FY27. We expect to see disagreement in the scale of the enhancement budgets as JFAC members continue to quibble over relatively small-dollar programs. Larger budgets for education, Medicaid, and public safety will be set later in the session, and those enhancements range into the tens and hundreds of millions of dollars.

During the week, the Senate introduced S1312, a measure addressing Medicaid provider payments and proposing annual audits of home and community-based service providers, with no promise that the information will be used to propose new rates. It should be concerning when legislation creates new mandates for providers, but places no new requirements on the Department of Health and Welfare for how they will use the data.

S1264, which would establish an Idaho Rural Health Transformation Fund in the state treasury and create a statutory Rural Health Transformation Committee, hung on the Senate calendar this week due to a growing disagreement between the House and Senate over the committee's composition and how the RHTF will be used. The Senate seems committed to moving forward with the program's original intent, while there is speculation that the House may want to divert the first year's funding to purchase ICOM, a private medical school in Meridian. We expect this to be one of the last issues resolved in the 2026 legislative session.

There are still a large number of bills introduced in committees that have not been scheduled for a hearing. It's hard to compare year to year the number of bills introduced in each Legislature, but this year seems to include many bills and a very slow hearing schedule. It either means that the Legislature will be working into April to clear their calendars, or that a significant number of bills will be introduced, but never given a full committee hearing.

Next week, primary candidate filings open for all those eager to put their names on the ballot. This is the first time the filing period will be only a week, down from two weeks in



previous election cycles. It has also been moved up one week this year. Typically, during this period, any legislation that may be considered controversial is passed over to avoid inviting new primary opponents. We expect this year to be no different, but, mercifully, a week shorter and a week earlier.