



IDAHO LEGISLATURE

JOINT FINANCE-APPROPRIATIONS COMMITTEE

State Capitol
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DATE: February 3, 2011

TO: Senator Patti Anne Lodge, Chairman, Senate Health & Welfare Committee
Representative Janice McGeachin, Chairman, House Health & Welfare Committee

FROM: Senator Dean L. Cameron, Chairman, Senate Finance Committee
Representative Maxine T. Bell, Chairman House Appropriations Committee

SUBJECT: Recommendations for FY 2012 Appropriation for Medicaid & H&W

Please extend our heartfelt thanks to your committee members for making the commitment to join the Joint Finance-Appropriations Committee for the budget hearings last week. Your willingness to work together on budgetary priorities during these challenging economic times will provide support to JFAC, and hopefully together we will provide the most appropriate and affordable health care and supportive services to vulnerable Idahoans.

Although the Governor's initial General Fund recommendation for Medicaid at \$445,535,600 did include \$25.3 million in additional cuts – it was too optimistic considering the recent news that we have received about revenues. We are sure you understand that once the Legislature takes into consideration the reduction of projected General Fund revenues due to federal tax conformity, unanticipated sales tax credits for alternative energy, and the erosion of last year's surplus; it is necessary to ask our germane committees to consider policy and programmatic changes that support a lower spending level for FY 2012.

The Co-Chairmen and Vice-Chairmen of JFAC have identified a range of between \$35 million to \$50 million in cuts – which includes the omnibus reduction already recommended by the Governor for the Department of Health & Welfare in FY 2012. It would be most helpful if your committee could prioritize your recommended cuts in order of importance.

Once again, thank you for your willingness to change those policies you feel are necessary to support the new financial reality of our state. Please let us know if we can provide any additional information concerning any other agencies or budgets under your purview.

Cc: Senate and House Majority Leadership
Senate and House Minority Leadership
Senate Health & Welfare Committee Members
House Health & Welfare Committee Members
JFAC Members
Amy Johnson, Principal Budget & Policy Analyst