



BRAD LITTLE  
GOVERNOR

April 8, 2026

The Honorable Phil McGrane  
Secretary of State  
Idaho Statehouse  
Hand Delivered

Dear Mr. Secretary,

I hereby file with you HOUSE BILL 968 relating to certain appropriations of public funds. Be advised that I have both signed and line-item vetoed HOUSE BILL 968 pursuant to the express authority granted to me by Article 4, Section 11 of the Idaho Constitution to disapprove of appropriations by way of line-item veto. Specifically, I disapproved and line-item vetoed the following distinct appropriation items, set forth on page 1, section 1, line 38 and page 2, section 4, line 20, to wit:

36 SECTION 1. LEGISLATIVE TRANSFER REDUCED 4% FOR FISCAL YEAR 2026. There  
37 is hereby appropriated and the Office of the State Controller shall transfer  
38 ~~\$5,803,500~~ from the Permanent Building Fund that is obligated for remodeling  
39 legislative space to the Legislative Account as soon as practicable. Upon  
40 passage and approval of this act, and after the cash transfer in this sec-  
41 tion has occurred, the President Pro Tempore of the Senate and the Speaker of  
42 the House of Representatives shall direct the Office of the State Controller  
43 to limit the amount transferred from the General Fund to the Legislative Ac-

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1 count pursuant to Section 67-451(2), Idaho Code, to \$8,170,600 for the pe-  
2 riod July 1, 2025, through June 30, 2026.

...

13 SECTION 4. TWENTY-SEVENTH PAYROLL FUND CASH TRANSFER FOR FISCAL YEAR  
14 2026. It is the intent of the Legislature that if General Fund revenues for  
15 fiscal year 2026 do not meet the legislative target of \$5,510,100,000 and the  
16 remaining cash balance in the General Fund is insufficient to cover revenue  
17 shortfalls for the remainder of fiscal year 2026, notwithstanding the provi-  
18 sions of Section 57-826, Idaho Code, the State Board of Examiners is autho-  
19 rized to direct the Office of the State Controller, between May 1, 2026, and  
20 June 30, 2026, to transfer ~~sufficient funds~~ from the Twenty-seventh Payroll  
21 Fund to the General Fund for the purpose of balancing the state budget. Such  
22 transfer is considered an appropriation of moneys.

Section one of HOUSE BILL 968 appropriates from the Permanent Building Fund to an unrelated account. While I support prudent investment in state facilities, this appropriation is inconsistent with the long-term purpose and stability of the Permanent Building Fund. Maintaining the integrity of this fund ensures the state can responsibly address future capital needs. Although my submitted budget recommended transfers from the Permanent Building Fund due to canceled projects, the recommendation was to transfer the funding to the general fund to balance the budget, not appropriate funding from this account to other unrelated accounts. Idaho Code requires funding from the Permanent Building Fund on canceled projects to be reappropriated to other priority capital projects. This appropriation does not follow that intent. Therefore, as set forth above and in the attached HOUSE BILL 968, I have disapproved the Legislature's appropriation of \$5,803,500.00.

The Fiscal Note for section four of HOUSE BILL 968 states that the funds to be appropriated from the Twenty-Seventh Payroll Fund to the General Fund total \$38,873,00.00 if revenue does not meet the legislative target and the state is unable to cover revenue shortfalls for the remainder of FY 2026. The Twenty-Seventh Payroll Fund was specifically established in statute to prepare for years in which the state incurs an additional payroll cycle. Idaho will face such a year in FY 2028. Redirecting these funds now undermines their intended purpose and would place the state in a difficult position when those obligations come due. Preserving these funds today avoids more disruptive or costly decisions in the next budget cycle. Therefore, as set forth above and in the attached HOUSE BILL 968, I have disapproved the Legislature's appropriation of \$38,873,00.00.

All remaining parts of HOUSE BILL 968, having not been line-item vetoed as set forth above and in the attached HOUSE BILL 968, have my approval.

My signing of HOUSE BILL 968 occurred on April 8, 2026, within the time prescribed by law, the same having arrived in the Office of the Governor at the hour of 12:51 p.m. on April 2, 2026, and the Legislature having adjourned sine die on at the hour of 6:18 p.m. on April 2, 2026.

Sincerely,



Brad Little  
Governor of Idaho