

MINUTES  
**JOINT FINANCE-APPROPRIATIONS COMMITTEE**

**DATE:** Monday, January 26, 2026  
**TIME:** 8:00 A.M.  
**PLACE:** Room C310  
**MEMBERS:** Senators Co-Chair Grow, Woodward, Cook, Bjerke, Hart, Carlson, Zuiderveld, Galloway, Ward-Engelking, Wintrow  
Representatives Co-Chair Tanner (14), Miller, Furniss, Petzke, Manwaring, Mitchell, Price, Bruce, Harris, Green  
**ABSENT/  
EXCUSED:** None

**Co-Chair Tanner (14)** called the meeting to order at 8:00 a.m.

**Mr. Noah Peterson**, Analyst, LSO Budget & Policy, provided an overview of the Idaho Department of Correction (IDOC), which has six divisions: Management Services, State Prisons, Community Corrections, Community-Based Substance Abuse, and Medical Services. He also examined the consolidated fund analysis and highlighted two dedicated funds: the Inmates Labor Fund and the Probation Parolee Receipts Fund.

**Mr. Peterson** explained due to reduced balances in dedicated funds and an increasing prison population, IDOC was exempted from the Governor's holdback to avoid furloughing 2K employees. He noted agency spending had increased, reaching about 98% of its FY 2025 appropriation.

In response to a committee question about the sharp decline in the Inmate Labor Fund balance, **Mr. Peterson** explained the State had lost several major contracts, leading to reduced revenue between FY 2024 and FY 2025. At the same time, appropriations increased, further drawing down the fund and significantly reducing its balance over the past several years.

In response to a committee question, **Mr. Peterson** explained IDOC returned 11.5 FTP for positions vacant longer than six months, reducing funding in the current year and going forward. He also noted IDOC maintained about 90 unfunded overfill positions to address high turnover and allow training before vacancies occurred, helping avoid staffing shortages.

**Mr. Peterson** provided a high-level review of the IDOC Management Services FY 2025 and FY 2026 budget enhancements. He presented the FY 2026 supplemental request of \$424K from the Hepatitis C Fund to restore spending authority missing in prior reappropriations, with additional authority requested for FY 2027. He also noted the FY 2027 onetime funding request for \$543K for replacement items and no ongoing funding requests; these enhancements were recommended by the Governor.

In response to a committee question, **Mr. Peterson** explained Management Services had previously used recidivism tools for community reentry and supervision but reduced spending due to cash constraints in dedicated funds. Despite an exemption from the Governor's holdback, the agency implemented planned service reductions, including a 25% cut to recidivism spending, which limited use of some tools, while transparency software was implemented as planned.

In response to a committee question, **Mr. Peterson** reported the FY 2025 ending cash balance for the Hepatitis C Fund was \$393K, with additional interest revenue expected to cover planned spending. He explained treatment costs would shift to the Medical Services appropriation once the Hepatitis C Fund was exhausted.

**Ms. Bree Derrick**, Director of IDOC, answered committee questions. She noted administrative costs totaled \$32M within a \$431M budget and reviewed the factors contributing to higher Hepatitis C rates in prisons.

In response to committee questions, **Dir. Derrick** explained inflation had sharply increased inmate supply costs. She noted these increases, combined with a population spike, aging facilities, and more than \$200M in deferred maintenance, significantly increased IDOC operating costs. She also explained contract negotiation authority was largely set at the state level, leaving IDOC with little ability to negotiate directly with vendors.

In response to committee questions, **Dir. Derrick** explained overtime had been restricted, reducing costs by several million dollars, but warned prolonged limits could affect programming, security, and public safety. She estimated it had cost \$2M to move from the 160-hour schedule to the 80-hour schedule required by LUMA.

In response to a committee question, **Dir. Derrick** stated approximately 250 noncitizens with criminal convictions were in state custody. She noted although discussions had occurred with U.S. Immigration and Customs Enforcement (ICE) about expediting due process, individuals were still required to complete their Idaho sentences in state custody before being transferred to ICE or another facility.

**Mr. Peterson** provided an overview of the IDOC State Prisons division, which houses all ten state prison facilities. He summarized several onetime FY 2025 supplemental requests with FY 2026 components, including advanced surveillance technology, transport safety expansion, and a body-worn camera pilot program.

**Mr. Peterson** informed the committee State Prisons had no FY 2027 ongoing enhancement requests; the division had FY 2027 onetime appropriation requests for replacement items, funded through dedicated sources. These enhancements were recommended by the Governor.

**Mr. Peterson** provided an overview of the IDOC County & Out-of-Placement division. He explained this division funds housing for residents in county jails and out-of-state prisons when IDOC facilities were full; this accounted for much of the cost increases during periods of full capacity. He noted statute set county jail rates at \$55/day for the first seven days and \$75/day thereafter, plus \$2.50 for medical costs, while out-of-state rates were set by contract at \$83/day and expected to increase later in the year.

**Mr. Peterson** explained the difference between the division request and the Governor's recommendation was due to updated numbers to population forecasts. Updated forecasts showed significantly higher populations, prompting the division's FY 2026 supplemental request. The Governor's recommendation reflected higher projected county jail and out-of-state populations and a growth rate consistent with recent trends. Updated actual numbers indicated continued volatility and ongoing refinement of the needed funding level.

**Mr. Peterson** reviewed the IDOC Community Corrections division, which houses community supervision and community re-entry centers. He informed the committee this division had no FY 2027 ongoing enhancement requests and the FY 2027 onetime request was for replacement items; these enhancements were recommended by the Governor.

**Mr. Peterson** reviewed the IDOC Community-Based Substance Abuse Division and pointed out it requested no enhancements for FY 2026 or FY 2027.

**Mr. Peterson** noted the IDOC Medical Services budget was limited to operating expenditures. The division funds the medical services contract for residents in IDOC facilities only and does not apply to county or out-of-state facilities.

**Mr. Peterson** reviewed the FY 2025 and FY 2026 Medical Services enhancement requests. IDOC initially proposed an ongoing reduction of nearly \$5M for FY 2025 but later reported a need for \$6M, based on utilization rates. The Legislature appropriated this amount as a FY 2025 onetime supplemental. The Legislature approved an ongoing \$2M increase to the Medical Services contract. The FY 2026 supplemental request reflected actual rates and differed from the Governor's recommendation for this reason.

**Mr. Peterson** explained IDOC facilities were over capacity in October and November 2025, resulting in higher per diem costs than estimated. IDOC requested \$4.4M ongoing, while the Governor recommended \$6.3M ongoing, reflecting a medical contract rate increase and the planned opening of the Pocatello Community Re-entry Center.

In response to committee questions about the purpose of certain inmate services, **Dir. Derrick** explained these services were paid for by inmates and provided educational and rehabilitative resources. She added IDOC had previously eliminated programs having minimal impact and replaced them with the current set of more effective initiatives.

**Mr. Peterson** provided an overview of the Pardons and Parole Commission, including its organizational structure. He also reviewed the consolidated fund analysis, the five-year estimated and actual expenditures chart, FY 2025 expenditures by expense class, the five-year base snapshot, and the budget enhancements for FY 2025 and FY 2026.

**Mr. Peterson** presented the FY 2027 enhancement request for the Pardons and Parole Commission. The agency requests \$47K in onetime funds for computer hardware recommended by the Office of Information Technology Services (OITS).

**Ms. Christine Starr**, Executive Director, Pardons and Parole Commission, reported four commissioners had resigned early over the past year, with another scheduled to leave in March, citing heavy workloads and lack of work-life balance.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 9:29 a.m.

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Representative Tanner (14)  
Chair

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Alyson Jackson  
Secretary