



Mr. Bybee (on behalf of JFAC Co-Chairs),

As Superintendent of Public Instruction, I have the responsibility to submit a K–12 budget request that meets the needs of our students and the expectations of our parents. Legislators have a responsibility to pass a balanced budget while upholding their obligation to fund public education.

I followed the statutory budget process and submitted our initial K-12 request in late August. We then worked closely with the Governor’s Office and adjusted our budget request when revenue projections were lowered. In December, I submitted a revised public schools budget for FY 2026 and FY 2027 that included reductions.

Those revisions were significant. We reduced our request by \$50 million for special education. We cut that despite the growing financial pressure on local districts and charters to provide federally required services for our highest-need students. The funding gap between student needs and available resources is estimated to be \$100 million. We cut another \$22 million in FY 2026 and \$42 million from FY 2027 to align with current attendance data. We brought our budget in line with the state’s financial reality. When factoring in inflation, even flat budgets mean cuts to overall operations.

I will not be recommending further cuts to the public schools budget for FY 2026 or FY 2027.

The public schools budget is more than numbers on a spreadsheet. It represents every one of our students, classrooms, teachers and communities.

Whether we are talking about the biggest district in the Treasure Valley or the one-room schoolhouse in Lowman, schools are deeply woven into the fabric of Idaho communities. When funding is cut too deeply or carelessly, student opportunities shrink, programs disappear, and costs shift to local taxpayers.

What does that look like? Larger class sizes; ending shop programs; cutting support for math and literacy; outdated textbooks and instructional materials; cuts to interventions; removing athletic, music, art and debate programs; laying off teachers and support staff; hiring freezes; declaring emergencies to break teacher contracts; increasing fees; and a heavier reliance on local taxpayers.

This will cause disproportionate harm to rural students. We have serious concerns about the legal risks for unmet needs with students in special education as well. We have seen this before. It took years for our schools to recover from cuts during the 2008 downturn.

Over the past decade, Idaho's investments in K–12 education have led to real, measurable gains—stronger readers in our early grades, higher graduation rates, and more success after high school. These outcomes, and many more, are the return on the state's investment in our students.

I urge legislators to remember that education funding is a long-term investment in Idaho's prosperity. Idaho's future workforce, economy, and communities depend on the strength of our public schools today.

A handwritten signature in black ink that reads "Debbie Critchfield". The signature is written in a cursive, flowing style.

Debbie Critchfield, Superintendent of Public Instruction

# 1-0057r. Ag Research & Extension, Add'l 1%

Total: **\$ (1,688,270)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDHA (ARES)		10000		(399,555)				\$ (399,555)	ARES	1929	We will suspend start dates for mission critical positions currently in offer negotiations.

# 1-0057r. Ag Research & Extension, Add'l 2%

Total: **\$ (3,376,640)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDHA (ARES)		10000		(799,110)				\$ (799,110)	ARES	1929	Delayed ongoing searches for critical Research and Extension Faculty and three Endowed Faculty positions to FY27. These positions are state priorities in support of Potato variety development, Nutrient management, Meat and Food Science industries.

## Boise State University

### FY 2026 Proposed Reductions of an additional 1% or 2% over the prior 3% holdback.

**At the 1% level,** Boise State expects the following programmatic outcomes:

- Academic Affairs, Student Affairs, and Research (-\$99,700 in PC and -\$895,800 in OE):
  - Due to the proposed cuts requested seven months into the fiscal year, the additional FY26 budget reduction for one-time funds will primarily come from Boise State's salary savings and reserves for operating expenses, if a project has not yet begun. Since faculty hiring follows the academic year and faculty are already contracted for the spring semester, actively teaching students, there are limited salary savings available from administrative positions that will not expend a full year of salary.
  - Reductions in funding will require cuts to strategic funds allocated to develop new online programs and courses to address industry needs and support Idaho's workforce. Boise State has 4,519 students enrolled in fully online programs in Spring 2026, an increase of 23.3% from five years ago. Of the more than 22,000 students enrolled in classes in Spring 2026, more than 65% (14,453) take at least one online course, given the flexibility these courses provide to working students and those with families. Without funds to launch new courses online, any new offerings will be delayed.
  
- Institutional Administration (-\$237,900 in PC and -\$82,600 in OE):
  - Due to the proposed cuts requested seven months into the fiscal year, the additional FY26 budget reduction for one-time funds will primarily come from Boise State's salary savings and reserves for operating expenses, if a project has not yet begun. Savings from employees who did not yet start on July 1, 2025, will be combined with efforts to slow hiring for critical positions to ensure the availability of these one-time funds.
  - Boise State will delay training funds, computer purchases, and other operating expenses if those are not fully committed. Delays in training for positions such as IT employees can affect the university's ability to fully implement and operate new systems. The university will also reduce outreach to other universities, a strategy that has proven to increase student enrollment and successful faculty recruiting.
  
- Athletics (-\$37,500 in PC): Boise State will delay a key hire to save salary in FY 26.

**At the 2% level,** Boise State expects the following programmatic outcomes:

- Academic Affairs, Student Affairs, and Research (-\$683,700 in PC and -\$1,402,300 in OE), in addition to the outcomes listed above in the 1% reduction:
  - This reduction will delay planned AV projects in classrooms nearing the end of life. This will delay the upgrades by at least two years, pending future funding, and equipment failure could render the space unusable for teaching.

- Institutional Administration (total of -\$401,900 in PC and -\$144,100 in OE) in addition to the outcomes listed above in the 1% reduction:
  - Due to the proposed cuts requested seven months into the fiscal year, the additional FY26 budget reduction will primarily come from Boise State's salary savings and reserves for operating expenses, if a project has not yet begun. Savings from employees who did not yet start on July 1, 2025, will be combined with efforts to slow hiring for critical positions to ensure the availability of these one-time funds. Salaries may be cut or reduced for ongoing hires, and student employment will be reduced for the remainder of the year.
  - Boise State will reduce planned website software purchases, as well as other software purchases. Without this software, the university will be unable to ensure accurate, timely information is posted and that student recruitment efforts are supported.
  
- Athletics (-\$37,500 in PC and -\$37,500 in OE), in addition to the outcomes listed above in the 1% reduction: Boise State will reduce facility maintenance in FY 26.

# 1-0063r. BSU Add'l 1%

Total: **\$ (1,353,500)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
512	EDGA		10000		\$ (37,500)				\$ (37,500)	Athletics		See attached Word document
512	EDGA		10000		\$ (99,700)	\$ (895,800)			\$ (995,500)	Academic Affairs, Student Affairs, Research		See attached Word document
512	EDGA		10000		\$ (237,900)	\$ (82,600)			\$ (320,500)	Institutional Administration		See attached Word document

# 1-0063r. BSU Add'l 2%

**Total: \$ (2,707,000)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
512	EDGA		10000		\$ (37,500)	\$ (37,500)			\$ (75,000)	Athletics Academic Affairs, Student Affairs,		See attached Word document
512	EDGA		10000		\$ (683,700)	\$ (1,402,300)			\$ (2,086,000)	Research Institutional		See attached Word document
512	EDGA		10000		\$ (401,900)	\$ (144,100)			\$ (546,000)	Administration		See attached Word document

# 1-0063r. ISU Add'l 1%

Total: **\$ (1,115,682)**

Agency Number	Appro p Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
513	EDGB	OT	10000		\$ (750,000)	\$ -	\$ -	\$ -	\$ (750,000)	Idaho State University Mandatory Furlough Program for contracted employees. This impacts all programs and services across the University.	N/A	This will impact all contracted employees earning more than \$60,000 annually through mandatory furlough days and reduction in pay.
513	EDGB	OT	10000		\$ -	\$ -	\$ (304,082)	\$ -	\$ (304,082)	Idaho State University major and deferred maintenance	N/A	We will defer some planned capital expenditures on deferred and major maintenance. These expenses are required, but can be moved to FY2027.

**1-0063r. ISU Add'l 2%**

Total: <b>\$ (2,231,364)</b>												
Agenc y	Appro p Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
513	EDGB	OT	10000		\$ (750,000)	\$ -	\$ -	\$ -	\$ (750,000)	Idaho State University Mandatory Furlough Program for contracted employees. This impacts all programs and services across the University.	N/A	This will impact all contracted employees earning more than \$60,000 annually through mandatory furlough days and reduction in pay. We will work to minimize program and service disruptions.
513	EDGB	OT	10000		\$ -	\$ -	\$ (304,082)	\$ -	\$ (304,082)	Idaho State University major and deferred maintenance	N/A	We will defer some planned capital expenditures on deferred and major maintenance. These expenses are required, but can be moved to FY2027.
513	EDGB	OT	10000			\$ (500,000)	\$ (54,082)		\$ (1,054,082)	Information Technology Services	N/A	We will fund IT security and infrastructure operating and capital expenses through one-time sale of spectrum licenses. These resources were initially planned to be used on security and infrastructure enhancements.

# 1-0063r. LCSC Add'l 1%

Total: **\$ (242,780)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
511	EDGD		10000			\$ (2,080)			\$ (2,080)	Lewis-Clark State College		These are HERC funds received from OSBE that will need to be returned for FY2026. Funding supports library resources and undergraduate STEM research opportunities.
511	EDGD	OT	10000		\$ (240,700)				\$ (240,700)	Lewis-Clark State College		LC State has one-time salary savings generated during FY2026 due to multiple mid-year retirements, but these funds will not be available in FY2027.

# 1-0063r. LCSC Add'l 2%

Total: **\$ (485,600)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
511	EDGD		10000			\$ (4,200)			\$ (4,200)	Lewis-Clark State College		These are HERC funds received from OSBE that will need to be returned for FY2026. Funding supports library resources and undergraduate STEM research opportunities.
511	EDGD	OT	10000		\$ (481,400)				\$ (481,400)	Lewis-Clark State College		LC State has one-time salary savings generated during FY2026 due to multiple mid-year retirements, but these funds will not be available in FY2027.

# 1-0063r. UI Add'l 1% Reduction Plan

Total: **\$ (1,688,270)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDGC (UI - CU)		10000	9.00	\$ (1,005,600)	\$ (145,400)			\$ (1,151,000)	University of Idaho	1889	<ul style="list-style-type: none"> <li>Newer academic programs that are not yet fully operational will experience disproportionate impacts, including mining and other emerging offerings.</li> <li>Student-to-faculty ratios will increase as staffing reductions constrain instructional capacity.</li> <li>Student services will be reduced, affecting advising, academic support, retention-related functions, and persistence towards degree completion.</li> <li>The university absorbed substantial reductions in prior years to right-size operations, significantly limiting remaining capacity to absorb additional ongoing cuts. Budget actions will require staffing reductions, resulting in diminished operational capacity.</li> <li>Replacement of instructional and research equipment will be deferred or foregone, limiting classroom quality, instructional delivery, and research productivity.</li> <li>Undergraduate research opportunities will be reduced, limiting experiential learning and pipeline development for graduate study and the workforce.</li> <li>The university's ability to fully meet expanding state compliance, reporting, and oversight requirements will be strained, increasing institutional risk and requiring prioritization among mandated functions.</li> </ul>

# 1-0063r. UI Add'l 2% Reduction Plan

Total: **\$ (3,376,640)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDGC (UI - CU)		10000	18.00	\$ (2,011,200)	\$ (290,800)			\$ (2,302,000)	University of Idaho	1889	<ul style="list-style-type: none"> <li>Newer academic programs that are not yet fully operational will experience disproportionate impacts, including mining and other emerging offerings.</li> <li>Student-to-faculty ratios will increase as staffing reductions constrain instructional capacity.</li> <li>Student services will be reduced, affecting advising, academic support, retention-related functions, and persistence towards degree completion.</li> <li>The university absorbed substantial reductions in prior years to right-size operations, significantly limiting remaining capacity to absorb additional ongoing cuts. Budget actions will require staffing reductions, resulting in diminished operational capacity.</li> <li>Replacement of instructional and research equipment will be deferred or foregone, limiting classroom quality, instructional delivery, and research productivity.</li> <li>Undergraduate research opportunities will be reduced, limiting experiential learning and pipeline development for graduate study and the workforce.</li> <li>The university's ability to fully meet expanding state compliance, reporting, and oversight requirements will be strained, increasing institutional risk and requiring prioritization among mandated functions.</li> </ul>

# 1-0075r. CEI Add'l 1% Reduction Plan

Total: **\$ (83,200)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
505	EDFE		10000		\$ (55,000)				\$ (55,000)	College of Eastern Idaho	FY2018	<p><b>Hiring freezes and position eliminations:</b> Additional 1–2% reductions require freezing most vacant positions and eliminating 7 critical roles in instruction, student support, and student life—resulting in fewer course offerings, reduced student access, and delayed completion.</p> <p>*Elimination of a mental health counselor with direct impact on student well being.</p> <p>*Cutting a well established E-Sports team, which was a male recruitment tool (1 full time and 2 part time employees) and a very competitive team.</p> <p>*Elimination of an administrative position in the trades division, which in turn shifts work to already overworked faculty.</p> <p>*Elimination of a leadership position, shifting work to already overworked leadership team, risking employee burnout and painful attrition.</p>
505	EDFE		10000		\$ (28,200)				\$ (28,200)	College of Eastern Idaho	FY2018	<p><b>Program contraction with long-term consequences:</b> Continued reductions force contraction of high-demand academic programs, weakening CEI’s ability to meet regional workforce needs and ultimately increasing costs to the state through longer time-to-completion, unmet employer demand, and lost economic growth. Three programs we will contract: Licensed Practical Nurse (reduce cohort entry by half), Energy Systems (pause the AAS degree and reduce to an ITC (reduce by one faculty), contract Dental Assist (reduce by a half time faculty). All of these are high demand programs in our community.</p>

# 1-0075r. CEI Add'l 2% Reduction Plan

Total: **\$ (166,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
505	EDFE		10000		\$(135,000)				\$ (135,000)	College of Eastern Idaho	FY2018	<p><b>Hiring freezes and position eliminations:</b> Additional 1–2% reductions require freezing most vacant positions and eliminating 7 critical roles in instruction, student support, and student life—resulting in fewer course offerings, reduced student access, and delayed completion.</p> <p>*Elimination of a mental health counselor with direct impact on student well being.</p> <p>*Cutting a well established E-Sports team, which was a male recruitment tool (1 full time and 2 part time employees) and a very competitive team.</p> <p>*Elimination of an administrative position in the trades division, which in turn shifts work to already overworked faculty.</p> <p>*Elimination of a leadership position, shifting work to already overworked leadership team, risking employee burnout and painful attrition.</p>
505	EDFE		10000		\$ (31,400)				\$ (31,400)	College of Eastern Idaho	FY2018	<p><b>Program contraction with long-term consequences:</b> Continued reductions force contraction of high-demand academic programs, weakening CEI’s ability to meet regional workforce needs and ultimately increasing costs to the state through longer time-to-completion, unmet employer demand, and lost economic growth. Three programs we will contract: Licensed Practical Nurse (reduce cohort entry by half), Energy Systems (pause the AAS degree and reduce to an ITC (reduce by one faculty), contract Dental Assist (reduce by a half time faculty). All of these are high demand programs in our community.</p>

# 1-0075r.Community Colleges, CSI Add'l 1%

Total: **\$ (211,900)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
506	EDFB		10000	(1.00)	\$ (104,200)				\$ (104,200)	All Instructional Programs	FY1965	The loss of a faculty position in a key area of general education (communication) will create fewer scheduling options for students resulting in less flexibility and an additional barrier to completion across all programs of study.
506	EDFB		10000			\$ (107,700)			\$ (107,700)	All Academic and Non-Instructional Programs	FY1965	Ongoing budget reductions are significantly limiting CSI's ability to maintain the level of outreach and engagement required to support student access, recruitment, and retention across the region.  Reduced funding will require us to scale back travel to local high schools and community partners, limit the number of outreach and enrollment events we can offer, and curtail essential supplies and advertising efforts that help students and families understand their educational options and navigate the enrollment process.  These cutbacks will diminish CSI's visibility in the community, slow our recruitment pipeline for enrollment, and weaken the College's capacity to connect Idaho students with the programs that support both their success and the state's workforce needs.  Furthermore, losing an additional percentage of operational monies at CSI will continue to have a direct negative impact on students by reducing key supply budgets in the instructional areas of biology, chemistry, and nursing (among others). Students may be asked to absorb some of those costs in order to successfully complete their programs of study.

# 1-0075r.Community Colleges, CSI Add'l 2%

Total: **\$ (423,800)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
506	EDFB		10000	(1.00)	\$ (104,200)				\$ (104,200)	All Instructional Programs	FY1965	The loss of a faculty position in a key area of general education (communication) will create fewer scheduling options for students resulting in less flexibility and an additional barrier to completion across all programs of study.
506	EDFB		10000			\$ (319,600)			\$ (319,600)	All Academic and Non-Instructional Programs	FY1965	<p>Ongoing budget reductions are significantly limiting CSI's ability to maintain the level of outreach and engagement required to support student access, recruitment, and retention across the region.</p> <p>Reduced funding will require us to scale back travel to local high schools and community partners, limit the number of outreach and enrollment events we can offer, and curtail essential supplies and advertising efforts that help students and families understand their educational options and navigate the enrollment process.</p> <p>These cutbacks will diminish CSI's visibility in the community, slow our recruitment pipeline for enrollment, and weaken the College's capacity to connect Idaho students with the programs that support both their success and the state's workforce needs.</p> <p>Furthermore, losing an additional percentage of operational monies at CSI will continue to have a direct negative impact on students by reducing key supply budgets in the instructional areas of biology, chemistry, and nursing (among others). Students may be asked to absorb some of those costs in order to successfully complete their programs of study.</p>

# 1-0075r. Community Colleges, CWI Add'l 1%

Total: **\$ (226,800)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
508	College of Western Idaho		10000					\$ (113,400)	\$ (113,400)	Various	FY2009	Freeze and/or eliminate open positions, delay new programs
508	College of Western Idaho		10000					\$ (113,400)	\$ (113,400)	Various	FY2009	Reduce operating expenditures, delay or slow projects and initiatives.

# 1-0075r. Community Colleges, CWI Add'l 2%

Total: **\$ (453,800)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
508	College of Western Idaho		10000					\$ (226,900)	\$ (226,900)	Various	FY2009	Freeze and/or eliminate open positions, delay new programs
508	College of Western Idaho		10000					\$ (226,900)	\$ (226,900)	Various	FY2009	Reduce operating expenditures, delay or slow projects and initiatives.

# 1-0075r. Community College, NIC Add'l 1%

Total: **\$ 161,800**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
507	North Idaho College		10000		\$ 30,000.00	\$ 42,000.00			\$ 72,000.00	Athletics	FY2020	This reduction eliminates the ability to rehire and assistant coach in atheltics. The loss of this position will directly affect the success, retention, and completion of our student-athletes, as coaching support is integral to their academic and competitive progress. Additionally, the reduction compromised commitments previously made to our students and conference partners, diminishing our capacity to meet expected program standards and obligations.
507	North Idaho College		10000			\$89,800			\$ 89,800.00	Entire Institution	N/A	This is the curtailment of travel and professional development for the duration of the fiscal year which includes, but is not limited to , reduced recruiting efforts, inability for staff and faculty to meet required licensure, training and accreditation expectations. The withholding of these resources exposes the instution to compliance risk and potential accreditation vulnerabilities.

# 1-0075r. Community College, NIC Add'l 2%

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total: <span style="border: 1px solid black; padding: 2px;">\$ 323,700</span>	What program	When was this program added	Please add a very detailed description of the impact of these reductions.
507	North Idaho College		10000		\$ 30,000.00	\$ 42,000.00			\$ 72,000.00	Athletics	FY2020	This results in the non-rehiring of an assistant coach for athletics. The reduction will impact the success, retention and completion of our student athletes.
						\$ 89,800.00			\$ 89,800.00	Entire Instituti	N/A	This is the curtailment of travel and professional development for the duration of the fiscal year which includes, but is not limited to the reduction of the number of athletes who can travel with a team, reduced recruiting efforts, inability for staff and faculty to continue to meet accreditation requirements
					\$ 161,900.00				\$ 161,900.00	Entire Instituti	N/A	This would result in a hiring freeze of all level 2 and level 3 employees. The inability to hire necessary staff and faculty will compromise the success of our students which directly impacts our retention and completion rates. Without proper support and appropriately qualified instruction, the student educational experience suffers and the institution's ability to meet its mission is at risk.



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Date: January 30, 2026

To: Keith Bybee, Budget & Policy Analysis Division Manager, LSO  
Kevin Campbell, Senior Budget Analyst

From: Jennifer White, Executive Director  
Office of the Idaho State Board of Education (OSBE)

Subject: Budget Reduction Plans for FY 2026 and FY 2027

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This memo responds to the Legislature’s request for information regarding the potential impacts of additional 1 and 2 percent budget reductions affecting Idaho’s public postsecondary institutions and the Office of the State Board of Education. **We have prepared good faith submissions, but do not recommend or support further reductions**, particularly under a compressed timeline that limits responsible impact assessment and increases the likelihood of unintended, cumulative harm.

Our caution reflects responsible stewardship, not resistance to change or improvement. We fully acknowledge the obligation to continuously improve operations, seek efficiencies, and adapt delivery models and remain committed to that work. But across-the-board or accelerated reductions are not a substitute for thoughtful reform. When timelines are shortened, the margin for error narrows, and the likelihood of compounding harm increases – particularly for institutions that have already absorbed permanent reductions.

In response to the Governor’s proposed 3 percent ongoing reduction, our office and institutions implemented reductions as part of a shared commitment to a balanced budget and protection of K–12 education funding. Higher education institutions and community colleges have already reduced their budgets by approximately **\$20 million**. This is comprised of permanent reductions and abandoned record-level enrollment workload adjustments, in addition to indirect CTE funding losses. The Office of the State Board of Education and its child agencies have also contributed more than **\$40 million** in reductions, including the approximately \$30 million reverted to the state’s general fund following the Legislature’s elimination of the Empowering Parents grant program. These are substantial contributions to addressing statewide budget pressures.

**These reductions have already resulted in tangible harm on Idaho's public campuses.**

Institutions are reducing personnel, leaving positions unfilled, scaling back academic and student support capacity, and deferring instructional, technology, and facilities investments necessary to sustain campus operations. For example, Lewis-Clark State College reduced adjunct faculty by \$400,000, meaning that students have reduced access to skilled professionals in the classroom and will face larger classes, fewer class options and sections, and reduced or delayed academic support. Our other institutions are facing similar dilemmas.

**Additional holdbacks would deepen these impacts** and further affect core academic delivery, student progression, and essential services. The risk is evident in the proposals submitted with this memo. College of Eastern Idaho, for example, would be forced to reduce the student cohort size of its LPN program; pause hiring and reduce faculty in its Energy Systems program; and reduce faculty in its Dental Assistant program. Boise State University would need to limit expansion of its Advanced Medical Imaging Program; suspend its minor in Construction Management despite extraordinary demand; and reduce the maintenance budget of athletics facilities that see hundreds of thousands of visitors every year. Idaho State University would be forced to impose mandatory furlough days for all employees making over \$60,000. University of Idaho would face staff and faculty reductions or paused hiring, impacting research programs related to potato variety development, nutrient management and meat/food sciences; veterinary programs and medical education will see reductions in faculty and lab components. College of Southern Idaho would reduce general education faculty and its embedded partnerships with high schools throughout the state. North Idaho would be forced to reduce programs and services in Sandpoint. College of Western Idaho would delay new high-demand and high-cost programs. These are just a few examples.

**These hits have come when Idaho is entering a period of record student demand**, with the graduating classes of 2025, 2026, and 2027, the largest in state history. Idaho's public colleges and universities are already experiencing increased enrollment pressure, with statewide public higher education enrollment increasing by approximately 4.2 percent from Fall 2024 to Fall 2025 across all eight public institutions, bucking national trends. Student outcomes have also improved. Idaho's four-year high school graduation rate has held at 82.3 percent, the highest level since adoption of federally required cohort calculations. Implementation of the Idaho LAUNCH program is associated with an 11 percent increase in the share of Idaho high school graduates enrolling in in-state postsecondary institutions, contributing to record or near-record enrollment levels at most campuses.

**These outcomes generate a measurable return to the state.** Idaho residents who complete postsecondary credentials stay to work in Idaho at high rates, earn higher wages, participate in the workforce at higher rates, and contribute more in-state and local tax revenues over their lifetimes than those without credentials, strengthening Idaho's tax base and long-term fiscal stability. Even if funding remains flat, larger cohorts and inflation will reduce the share of students who can be served and erode the purchasing power of existing awards, increasing pressure on institutions already absorbing ongoing reductions.

**While it has been stated that K-12 education is being held harmless, the reality is more complex.** These students move directly into academic and CTE programs at our institutions. CTE's memo (attached) describes immediate harm to student-centered workforce programs, among them delay in CTE teacher preparation and suspension of fire service training for rural and volunteer firefighters. And, further reductions to OSBE's budget will directly impact the K-12 system. Our proposal would revert Broadband funds regularly available to school districts for improving internet infrastructure, especially in rural or growing communities; move toward cancellation of a contract that facilitates teacher evaluation in the Career Ladder; and reduce funds available to rural teachers under the Rural and Underserved Educator Incentive Program.

Education underpins Idaho's economic strength and the competitiveness of the American workforce. Idaho's students become the engineers, teachers, health-care workers, and skilled tradespeople who sustain our economy and communities. At a time of record student demand, **taking our foot off the gas risks eroding that pipeline and yielding advantage to other states and nations that continue to invest aggressively in education and workforce readiness.** Those competitors will benefit if we choose to regress at this moment.

We remain committed to working with the Legislature to uphold shared priorities, steward public resources responsibly, and minimize harm to students, faculty, teachers, and the communities we serve. We appreciate the opportunity to provide this context and look forward to continued dialogue as this process moves forward.

# 1-0083r. Office of the State Board of Education, Add'l 1%

Total: \$ (477,900) \* This reflects the 1% scenario after the ongoing removal of Empowering Parents from OSBE's base

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
501	EDAC		10000					\$ (175,800)	\$ (175,800)	Broadband	FY2025	
516	EDJC		10000					\$ (302,100)	\$ (302,100)	Rural and Underserved Educator Incentive Program	FY2023	These funds are available FY2026 due to the timing of projects. Funding will continue to be needed in future fiscal years to complete projects. Reversion means these funds will not be available to K-12 school districts for improving internet infrastructure and interconnectivity between schools. These funds are available through both program attrition and collapsing size of future K-12 rural teacher cohorts that would be eligible for grant program.

# 1-0083r. Office of the State Board of Education, Add'l 2%

Total: \$ (756,000) \* This reflects the 2% scenario after the ongoing removal of Empowering Parents from OSBE's base

Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
EDAC		10000					\$ (401,900)	\$ (401,900)	Broadband	FY2025	These funds are available FY2026 due to the timing of projects. Funding will continue to be needed in future fiscal years to complete projects. Reversion means these funds will not be available to K-12 school districts for improving internet infrastructure and interconnectivity between schools.
EDJC		10000					\$ (304,100)	\$ (304,100)	Rural and Underserved Educator Incentive Program	FY2023	These funds are available through both program attrition and collapsing size of future K-12 rural teacher cohorts that would be eligible for grant program.
EDAA		10000					\$ (50,000)	\$ (50,000)	CareerLadder	FY2016	This reduction represents the cancellation of the 2gnoMe software contract utilized for teacher evaluations at K-12 schools. This will primarily impact rural school districts.

January 29, 2026

Jennifer White  
Executive Director  
Idaho State Board of Education

Patrick Coulson  
Chief Financial Officer  
Idaho State Board of Education

Dear Director White and Mr. Coulson:

This communication is in response to JFAC's request for additional budget recission plans of 1% and 2% for FY26 and FY27 for Graduate Medical Education (GME).

### **Position of the Idaho GMEC**

It is the position of the Idaho State Board of Education Graduate Medical Education Committee that Idaho's GME programs are **unable to sustain these additional cuts**.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
2. Salary obligations have already been made to the incoming residents that will start in July 2026 and to the faculty who are training them. These obligations are contractual in nature and cannot be adjusted.
3. New programs that are building out their three-year cycles of classes (and are dependent on FY27 enhancements) cannot tolerate this financial disruption to an entire class which is critical to each program's development and sustainability.
4. If FY27 enhancement reductions are made, not only will it counter Governor Little's Budget request but will stop the development of the Family Medicine-Obstetrics Fellowship that was called for in HB333.
5. We cannot start defaulting on promises made to those resident physicians we are recruiting and to those involved in their training. This uncertainty in funding will kill emerging interest in GME development in Idaho, which is desperately needed to continue physician training, recruitment and retention in our State.

### **Background and Context**

Idaho currently ranks last in the United States (50<sup>th</sup>/50) in physicians per capita. Idaho's growing population and aging physician workforce (with over 20% of practicing physicians greater than age 65) point to a growing crisis in physician availability and access to care for the citizens of our state.

In 2017, Idaho committed to solving this problem by adopting the Idaho Ten Year GME Strategic Plan, which outlined a strategy to grow the number of physician training programs and trainees in Idaho, with the resultant outcome of retaining these physicians to practice in Idaho. This Plan has been a smashing success with a 250% increase in the number of residency and fellowship programs (nine to 18) and a 110% increase in the number of residents and fellows training in Idaho (134 to 281) since 2017. Idaho's GME programs are extraordinarily successful in retaining resident physicians to practice in the state after graduation, currently ranking 6<sup>th</sup> out of 50 states in GME physician retention.

This success relies on the Idaho's partnership, along with the residency programs themselves and their clinical affiliate sites, to provide strong financial support for these programs. In 2017, the cost to train a resident was approximately \$180,000 per year, with each entity contributing one-third of the expense, or \$60,000 per resident per year. The current training cost is approximately \$210,000 per resident per year, with the goal of each party contributing \$70,000. Currently, Idaho is contributing \$60,000 or less for each resident physician.

Idaho's GME programs are already feeling the strain of increasing training costs without increasing state support. *Every* GME program in Idaho was subject to the FY26 3% recission and played a part in helping the state overcome its budgetary shortfall. Additional cuts introduce instability into our programs and threaten our developing physician workforce.

We are now more than halfway through FY26, and Idaho state GME funding, post-recission, has already been allocated. FY26 resident and teaching physician salaries are contractually obligated, and expenses supporting resident clinics are being incurred. Program leadership, program faculty and program administrative FTEs, such as residency coordinators, are dictated by the national GME accrediting body and cannot be adjusted.

The effects of further cuts to the FY27 budget are as follows:

- Residency training programs have already entered into the selection process for FY27's resident physicians, which begins about a year in advance of these resident physicians arriving in Idaho. Our programs have contractual obligations to these new residents through the National Residency Matching Program, and faculty contracts are in place. These contracts cannot be adjusted.
- Additional reductions in the GME budget will halt the development of the Family Medicine-Obstetrics Fellowship in Pocatello (originally planned to start in July 2027) as required by HB 333 (2025). There will be no fellow in 2027.
- The FY27 enhancement for 15 new GME positions are for new programs currently building out to full program size and have not yet reached full complement. By funding these programs in prior years, the state has already committed to the development of these programs. This investment must be protected.
- Planning for desperately needed specialty programs such as Obstetrics and Gynecology, General Surgery, Neurology, and additional Internal Medicine, Family

Medicine and Transitional Year programs will cease, and these programs will not be developed.

Further decreases in funding will also destabilize the important relationship between the State of Idaho and its physician training programs, potentially causing programs to decrease the number of residents they train or pull back from clinical partners that depend on Idaho's resident physician workforce to care for their patients. This will result in decreased access to care for Idaho's citizens and produce physicians who are not well-trained. *Idaho's resident physicians are actively providing patient care, including over 104,000 outpatient visits, over 86,000 inpatient visits, and delivering over 4,400 babies in FY25.*

### **Bottom Line**

The GME Community cannot sustain any further recissions or loss of enhancements in either the FY26 or FY27 funding cycles.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
2. Salary obligations have already been made to the incoming residents that will start in July 2026 and to the faculty who are training them. These obligations are contractual in nature and cannot be adjusted.
3. New programs that are building out their three-year cycles of classes (and are dependent on FY27 enhancements) cannot tolerate this financial disruption to an entire class which is critical to each program's development and sustainability.
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5. We cannot start defaulting on promises made to those resident physicians we are recruiting and to those involved in their training. This uncertainty in funding will kill emerging interest in GME development in Idaho, which is desperately needed to continue physician training, recruitment and retention in our State.

The legislature has made it clear that developing the health care workforce, including undergraduate medical education (UME, or medical school) and GME are key in solving Idaho's physician workforce problem. Cutting funding for this priority simply doesn't make sense. **We reiterate that Idaho's GME programs cannot sustain additional cuts in FY26 and FY27.**

Sincerely,

Ted Epperly, MD  
Idaho State Board of Education GME Coordinator

Melissa (Moe) Hagman, MD  
Idaho State Board of Education GME Committee Chair

Lisa Nelson, MD  
Idaho State Board of Education GME Committee Vice Chair

# 1-0091r. Health Education Programs, FMR Add'l 1%

Total: **\$ (1,115,682)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
513	EDIF	OT	10000	(0.50)	\$ (32,900)	\$ -	\$ -	\$ -	\$ (32,900)	Family Medicine Residency Program - shift personnel costs to local funding.	N/A	This additional cut will reduce the Family Medicine Residency's ability to support Continuing Medical Education (CME) funding, faculty and staff training, and travel previously supported by these funds.

# 1-0091r. Health Education Programs, FMR Add'l 2%

Total: **\$ (2,231,364)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
513	EDIF	OT	10000	(1.00)	\$ (65,800)	\$ -	\$ -	\$ -	\$ (65,800)	Family Medicine Residency Program - shift personnel costs to local funding.	N/A	This additional cut will reduce the Family Medicine Residency's ability to support Continuing Medical Education (CME) funding, faculty and staff training, and travel previously supported by these funds.

January 29, 2026

Jennifer White  
Executive Director  
Idaho State Board of Education

Patrick Coulson  
Chief Financial Officer  
Idaho State Board of Education

Dear Director White and Mr. Coulson:

This communication is in response to JFAC's request for additional budget recission plans of 1% and 2% for FY26 and FY27 for Graduate Medical Education (GME).

### **Position of the Idaho GMEC**

It is the position of the Idaho State Board of Education Graduate Medical Education Committee that Idaho's GME programs are **unable to sustain these additional cuts**.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
2. Salary obligations have already been made to the incoming residents that will start in July 2026 and to the faculty who are training them. These obligations are contractual in nature and cannot be adjusted.
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5. We cannot start defaulting on promises made to those resident physicians we are recruiting and to those involved in their training. This uncertainty in funding will kill emerging interest in GME development in Idaho, which is desperately needed to continue physician training, recruitment and retention in our State.

### **Background and Context**

Idaho currently ranks last in the United States (50<sup>th</sup>/50) in physicians per capita. Idaho's growing population and aging physician workforce (with over 20% of practicing physicians greater than age 65) point to a growing crisis in physician availability and access to care for the citizens of our state.

In 2017, Idaho committed to solving this problem by adopting the Idaho Ten Year GME Strategic Plan, which outlined a strategy to grow the number of physician training programs and trainees in Idaho, with the resultant outcome of retaining these physicians to practice in Idaho. This Plan has been a smashing success with a 250% increase in the number of residency and fellowship programs (nine to 18) and a 110% increase in the number of residents and fellows training in Idaho (134 to 281) since 2017. Idaho's GME programs are extraordinarily successful in retaining resident physicians to practice in the state after graduation, currently ranking 6<sup>th</sup> out of 50 states in GME physician retention.

This success relies on the Idaho's partnership, along with the residency programs themselves and their clinical affiliate sites, to provide strong financial support for these programs. In 2017, the cost to train a resident was approximately \$180,000 per year, with each entity contributing one-third of the expense, or \$60,000 per resident per year. The current training cost is approximately \$210,000 per resident per year, with the goal of each party contributing \$70,000. Currently, Idaho is contributing \$60,000 or less for each resident physician.

Idaho's GME programs are already feeling the strain of increasing training costs without increasing state support. *Every* GME program in Idaho was subject to the FY26 3% recession and played a part in helping the state overcome its budgetary shortfall. Additional cuts introduce instability into our programs and threaten our developing physician workforce.

We are now more than halfway through FY26, and Idaho state GME funding, post-recession, has already been allocated. FY26 resident and teaching physician salaries are contractually obligated, and expenses supporting resident clinics are being incurred. Program leadership, program faculty and program administrative FTEs, such as residency coordinators, are dictated by the national GME accrediting body and cannot be adjusted.

The effects of further cuts to the FY27 budget are as follows:

- Residency training programs have already entered into the selection process for FY27's resident physicians, which begins about a year in advance of these resident physicians arriving in Idaho. Our programs have contractual obligations to these new residents through the National Residency Matching Program, and faculty contracts are in place. These contracts cannot be adjusted.
- Additional reductions in the GME budget will halt the development of the Family Medicine-Obstetrics Fellowship in Pocatello (originally planned to start in July 2027) as required by HB 333 (2025). There will be no fellow in 2027.
- The FY27 enhancement for 15 new GME positions are for new programs currently building out to full program size and have not yet reached full complement. By funding these programs in prior years, the state has already committed to the development of these programs. This investment must be protected.
- Planning for desperately needed specialty programs such as Obstetrics and Gynecology, General Surgery, Neurology, and additional Internal Medicine, Family

Medicine and Transitional Year programs will cease, and these programs will not be developed.

Further decreases in funding will also destabilize the important relationship between the State of Idaho and its physician training programs, potentially causing programs to decrease the number of residents they train or pull back from clinical partners that depend on Idaho's resident physician workforce to care for their patients. This will result in decreased access to care for Idaho's citizens and produce physicians who are not well-trained. *Idaho's resident physicians are actively providing patient care, including over 104,000 outpatient visits, over 86,000 inpatient visits, and delivering over 4,400 babies in FY25.*

### **Bottom Line**

The GME Community cannot sustain any further recissions or loss of enhancements in either the FY26 or FY27 funding cycles.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
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The legislature has made it clear that developing the health care workforce, including undergraduate medical education (UME, or medical school) and GME are key in solving Idaho's physician workforce problem. Cutting funding for this priority simply doesn't make sense. **We reiterate that Idaho's GME programs cannot sustain additional cuts in FY26 and FY27.**

Sincerely,

Ted Epperly, MD  
Idaho State Board of Education GME Coordinator

Melissa (Moe) Hagman, MD  
Idaho State Board of Education GME Committee Chair

Lisa Nelson, MD  
Idaho State Board of Education GME Committee Vice Chair

# 1-0091r. Health Education Programs, IDEP Add'l 1%

Total: **\$ (1,115,682)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
513	EDIC	OT	10000		\$ (20,800)	\$ -	\$ -	\$ -	\$ (20,800)	Idaho Dental Education Program - shift personnel costs to clinical operations of the dental residency program.	N/A	The Idaho Dental Education Program (IDEP) has no clinic income or other revenue stream to offset budget cuts. 100% of IDEP's Trustee Benefits go directly to Creighton University to cover the contractual cost per student. Additional cuts- after years of negotiations to increase class sizes- may jeopardize the relationship with Creighton, a critical and reliable partner in Idaho dental education.

# 1-0091r. Health Education Programs, IDEP Add'l 2%

Total: <b>\$ (2,231,364)</b>												
Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to	Please add a very detailed description of the impact of these reductions.
513	EDGB	OT	10000		\$ (750,000)	\$ -	\$ -	\$ -	\$ (750,000)	Idaho State University Mandatory Furlough Program for contracted employees. This impacts all programs and services across the University.	N/A	This will impact all contracted employees earning more than \$60,000 annually through mandatory furlough days and reduction in pay. We will work to minimize program and service disruptions.
513	EDGB	OT	10000		\$ -	\$ -	\$ (304,082)	\$ -	\$ (304,082)	Idaho State University major and deferred maintenance	N/A	We will defer some planned capital expenditures on deferred and major maintenance. These expenses are required, but can be moved to FY2027.
513	EDGB	OT	10000			\$ (500,000)	\$ (554,082)		\$ (1,054,082)	Information Technology Services	N/A	We will fund IT security and infrastructure operating and capital expenses through one-time sale of spectrum licenses. These resources were initially planned to be used on security and infrastructure enhancements.
513	EDJD	OT	10000		\$ (15,800)	\$ -	\$ -	\$ -	\$ (15,800)	Idaho Museum of Natural History - part time staffing	N/A	This reduction in part time staffing will limit museum programs and services.
513	EDIC	OT	10000		\$ (41,600)	\$ -	\$ -	\$ -	\$ (41,600)	Idaho Dental Education Program - shift personnel costs to clinical operations of the dental residency program.	N/A	The Idaho Dental Education Program (IDEP) has no clinic income or other revenue stream to offset budget cuts. 100% of IDEP's Trustee Benefits go directly to Creighton University to cover the contractual cost per student. Additional cuts- after years of negotiations to increase class sizes- may jeopardize the relationship with Creighton, a critical and reliable partner in Idaho dental education.
513	EDIF	OT	10000	(1.00)	\$ (65,800)	\$ -	\$ -	\$ -	\$ (65,800)	Family Medicine Residency Program - shift personnel costs to local funding.	N/A	This additional cut will reduce the Family Medicine Residency's ability to support Continuing Medical Education (CME) funding, faculty and staff training, and travel previously supported by these funds.

January 29, 2026

Jennifer White  
Executive Director  
Idaho State Board of Education

Patrick Coulson  
Chief Financial Officer  
Idaho State Board of Education

Dear Director White and Mr. Coulson:

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### **Position of the Idaho GMEC**

It is the position of the Idaho State Board of Education Graduate Medical Education Committee that Idaho's GME programs are **unable to sustain these additional cuts**.

The reasons for this are the following:

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### **Bottom Line**

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Ted Epperly, MD  
Idaho State Board of Education GME Coordinator

Melissa (Moe) Hagman, MD  
Idaho State Board of Education GME Committee Chair

Lisa Nelson, MD  
Idaho State Board of Education GME Committee Vice Chair

# 1-0091r. Health Education Programs, WIMU Add'l 1%

Total: **\$ (1,688,270)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDIA (WIMU)		10000			(28,315)			\$ (28,315)	WIMU		We will scale back veterinary teaching at our animal units, reducing experiential learning opportunities for students

# 1-0091r. Health Education Programs, WIMU Add'l 2%

Total: **\$ (3,376,640)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDIA (WIMU)		10000			(56,630)			\$ (56,630)	WIMU		In addition to scaling back veterinary teaching at our animal units, support for the laboratory components of required Animal Science courses will also be reduced or eliminated, further constraining capacity for both teaching and research activities.

January 29, 2026

Jennifer White  
Executive Director  
Idaho State Board of Education

Patrick Coulson  
Chief Financial Officer  
Idaho State Board of Education

Dear Director White and Mr. Coulson:

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### **Background and Context**

Idaho currently ranks last in the United States (50<sup>th</sup>/50) in physicians per capita. Idaho's growing population and aging physician workforce (with over 20% of practicing physicians greater than age 65) point to a growing crisis in physician availability and access to care for the citizens of our state.

In 2017, Idaho committed to solving this problem by adopting the Idaho Ten Year GME Strategic Plan, which outlined a strategy to grow the number of physician training programs and trainees in Idaho, with the resultant outcome of retaining these physicians to practice in Idaho. This Plan has been a smashing success with a 250% increase in the number of residency and fellowship programs (nine to 18) and a 110% increase in the number of residents and fellows training in Idaho (134 to 281) since 2017. Idaho's GME programs are extraordinarily successful in retaining resident physicians to practice in the state after graduation, currently ranking 6<sup>th</sup> out of 50 states in GME physician retention.

This success relies on the Idaho's partnership, along with the residency programs themselves and their clinical affiliate sites, to provide strong financial support for these programs. In 2017, the cost to train a resident was approximately \$180,000 per year, with each entity contributing one-third of the expense, or \$60,000 per resident per year. The current training cost is approximately \$210,000 per resident per year, with the goal of each party contributing \$70,000. Currently, Idaho is contributing \$60,000 or less for each resident physician.

Idaho's GME programs are already feeling the strain of increasing training costs without increasing state support. *Every* GME program in Idaho was subject to the FY26 3% recission and played a part in helping the state overcome its budgetary shortfall. Additional cuts introduce instability into our programs and threaten our developing physician workforce.

We are now more than halfway through FY26, and Idaho state GME funding, post-recission, has already been allocated. FY26 resident and teaching physician salaries are contractually obligated, and expenses supporting resident clinics are being incurred. Program leadership, program faculty and program administrative FTEs, such as residency coordinators, are dictated by the national GME accrediting body and cannot be adjusted.

The effects of further cuts to the FY27 budget are as follows:

- Residency training programs have already entered into the selection process for FY27's resident physicians, which begins about a year in advance of these resident physicians arriving in Idaho. Our programs have contractual obligations to these new residents through the National Residency Matching Program, and faculty contracts are in place. These contracts cannot be adjusted.
- Additional reductions in the GME budget will halt the development of the Family Medicine-Obstetrics Fellowship in Pocatello (originally planned to start in July 2027) as required by HB 333 (2025). There will be no fellow in 2027.
- The FY27 enhancement for 15 new GME positions are for new programs currently building out to full program size and have not yet reached full complement. By funding these programs in prior years, the state has already committed to the development of these programs. This investment must be protected.
- Planning for desperately needed specialty programs such as Obstetrics and Gynecology, General Surgery, Neurology, and additional Internal Medicine, Family

Medicine and Transitional Year programs will cease, and these programs will not be developed.

Further decreases in funding will also destabilize the important relationship between the State of Idaho and its physician training programs, potentially causing programs to decrease the number of residents they train or pull back from clinical partners that depend on Idaho's resident physician workforce to care for their patients. This will result in decreased access to care for Idaho's citizens and produce physicians who are not well-trained. *Idaho's resident physicians are actively providing patient care, including over 104,000 outpatient visits, over 86,000 inpatient visits, and delivering over 4,400 babies in FY25.*

### **Bottom Line**

The GME Community cannot sustain any further recissions or loss of enhancements in either the FY26 or FY27 funding cycles.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
2. Salary obligations have already been made to the incoming residents that will start in July 2026 and to the faculty who are training them. These obligations are contractual in nature and cannot be adjusted.
3. New programs that are building out their three-year cycles of classes (and are dependent on FY27 enhancements) cannot tolerate this financial disruption to an entire class which is critical to each program's development and sustainability.
4. If FY27 enhancement reductions are made, not only will it counter Governor Little's Budget request but will stop the development of the Family Medicine-Obstetrics Fellowship that was called for in HB333.
5. We cannot start defaulting on promises made to those resident physicians we are recruiting and to those involved in their training. This uncertainty in funding will kill emerging interest in GME development in Idaho, which is desperately needed to continue physician training, recruitment and retention in our State.

The legislature has made it clear that developing the health care workforce, including undergraduate medical education (UME, or medical school) and GME are key in solving Idaho's physician workforce problem. Cutting funding for this priority simply doesn't make sense. **We reiterate that Idaho's GME programs cannot sustain additional cuts in FY26 and FY27.**

Sincerely,

Ted Epperly, MD  
Idaho State Board of Education GME Coordinator

Melissa (Moe) Hagman, MD  
Idaho State Board of Education GME Committee Chair

Lisa Nelson, MD  
Idaho State Board of Education GME Committee Vice Chair

# 1-0091r. Health Education Programs, WWAMI Add'l 1%

Total: **\$ (1,688,270)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
514	EDIB (WWAMI)		10000	(1.19)	\$ (77,900)	\$ -	\$ -	\$ -	\$ (77,900)	WWAMI Medical Education Program	1972	A 1% budget reduction on top of the current 3% reduction will require downsizing and reallocating of the faculty workforce, as personnel costs represent the majority of medical education expenditures. Reduced faculty capacity will negatively affect learner supervision, curriculum delivery, assessment activities, and especially clinical preparation. Further attrition will permanently compound workforce challenges as labor is in short supply. The positions that would be eliminated are currently joint faculty who also teach in the College of Science which will cause a cascading effect on their budget as well. WWAMI's workforce is lean as it is, and the additional 1% reduction would result in the loss of faculty personnel who teach part-time for this program.

# 1-0091r. Health Education Programs, WWAMI Add'l 2%

Total: **\$ (3,376,640)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
514	EDIB (WWAMI)		10000	(1.69)	\$ (155,900)	\$ -	\$ -	\$ -	\$ (155,900)	WWAMI Medical Education Program	1972	<p>A 2% budget reduction in addition to the current 3% cut would necessitate downsizing and reallocation of the faculty workforce, as personnel costs comprise the majority of medical education expenditures. Reduced faculty capacity would directly impair learner supervision, curriculum delivery, assessment activities, and especially clinical preparation. Further attrition will permanently compound workforce challenges as labor is in short supply.</p> <p>The academic positions primarily affected are joint faculty appointments who also teach within the College of Science, creating a cascading financial impact on that college as well. Specifically, we would be forced to eliminate part-time faculty positions; additionally this could also negatively impact our ability to hire the physician faculty required to prepare students clinically. Searches for 3 unfilled physician faculty position are currently ongoing. Thus, an additional 2% reduction would create a significant instructional gap as we would no longer have required expertise in critical disciplines such as microbiology, cell physiology, and clinical skills. These areas of instruction are essential to meeting Liaison Committee on Medical Education (LCME) accreditation requirements.</p> <p>These reductions will significantly limit instructional capacity, impair ability to meet accreditation standards, increase compliance risk, and impair the quality and consistency of the student educational experience.</p>

January 29, 2026

Jennifer White  
Executive Director  
Idaho State Board of Education

Patrick Coulson  
Chief Financial Officer  
Idaho State Board of Education

Dear Director White and Mr. Coulson:

This communication is in response to JFAC's request for additional budget recission plans of 1% and 2% for FY26 and FY27 for Graduate Medical Education (GME).

### **Position of the Idaho GMEC**

It is the position of the Idaho State Board of Education Graduate Medical Education Committee that Idaho's GME programs are **unable to sustain these additional cuts**.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
2. Salary obligations have already been made to the incoming residents that will start in July 2026 and to the faculty who are training them. These obligations are contractual in nature and cannot be adjusted.
3. New programs that are building out their three-year cycles of classes (and are dependent on FY27 enhancements) cannot tolerate this financial disruption to an entire class which is critical to each program's development and sustainability.
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Idaho's GME programs are already feeling the strain of increasing training costs without increasing state support. *Every* GME program in Idaho was subject to the FY26 3% recession and played a part in helping the state overcome its budgetary shortfall. Additional cuts introduce instability into our programs and threaten our developing physician workforce.

We are now more than halfway through FY26, and Idaho state GME funding, post-recession, has already been allocated. FY26 resident and teaching physician salaries are contractually obligated, and expenses supporting resident clinics are being incurred. Program leadership, program faculty and program administrative FTEs, such as residency coordinators, are dictated by the national GME accrediting body and cannot be adjusted.

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### **Bottom Line**

The GME Community cannot sustain any further recessions or loss of enhancements in either the FY26 or FY27 funding cycles.

The reasons for this are the following:

1. The FY26 funding has been disbursed and is already being utilized to fund existing residents in programs and pay the faculty who are training these residents.
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The legislature has made it clear that developing the health care workforce, including undergraduate medical education (UME, or medical school) and GME are key in solving Idaho's physician workforce problem. Cutting funding for this priority simply doesn't make sense. **We reiterate that Idaho's GME programs cannot sustain additional cuts in FY26 and FY27.**

Sincerely,

Ted Epperly, MD  
Idaho State Board of Education GME Coordinator

Melissa (Moe) Hagman, MD  
Idaho State Board of Education GME Committee Chair

Lisa Nelson, MD  
Idaho State Board of Education GME Committee Vice Chair

# Additional Budget Reduction Plan for FY 2026 and FY 2027

Method of communication: Memorandum

Date: due Friday, January 30, 12pm

Team: Pete Risse, Tracie Bent, Adrian San Miguel, Kathleen Shoup, Tia Davis

The Division of Idaho Career Technical Education (IDCTE) has drafted a plan to further reduce appropriations by 1% and 2% for both FY26 and FY27. The draft plan was developed surgically rather than broadly and considered IDCTE's statutory responsibilities, and the 3% cuts already made in FY26/27. Despite the care that was taken to identify cuts, these decisions will place significant pressure on key activities within the division and have a direct impact on Idaho's workforce readiness and economic competitiveness.

**Secondary Impact:** In FY25, IDCTE provided grant funding to approximately 164 programs, 112 rural and 52 urban. With these cuts, this funding would be eliminated in FY27. In FY26, there are 1,103 approved secondary CTE programs. Further reversions would impact every approved program and could eliminate funding for the creation of any new CTE programs in FY27. Over the last five years, on average annually, IDCTE has approved 95 new CTE programs.

**Postsecondary Impact:** In FY26, the Idaho Legislature approved \$10 million to support CTE postsecondary capacity expansion. Reductions in FY26 and FY27 would restrict approximately 31 in-demand program's ability to meet their regional workforce demand.

The attached spreadsheet details the cuts by the appropriation unit and expenditure category. The impacts of further reductions in the current and next fiscal year are projected to produce negative outcomes in both the short and long-term.

## FY2026 Budget Reduction Scenarios

### FY2026 – 1% Reduction

Impact Area	Description	Amount
Agency Operations	One-time reduction in personnel costs due to hiring freeze and salary savings	\$98,400
Agency Operations	On-time reduction to personnel costs due to hiring freeze for dedicated secondary support	\$31,200
Secondary Programs	Funding distributed to directly support approved CTE programs	\$261,000
Postsecondary Programs	Funding distributed to technical colleges to support CTE operational costs and in-demand CTE program expansion	\$456,000
Agency Operations	One-time reduction in staff dedicated to CTE Educator support	\$69,700
CTE Educator Services	Funding used for new CTE educators to complete CTE Educator Preparation programs	\$41,300
<b>Total FY2026 – 1%</b>		<b>\$957,600</b>

### FY2026 – 2% Reduction

Impact Area	Description	Amount
Agency Operations	One-time reduction in personnel costs due to hiring freeze and salary savings	\$98,400
Agency Operations	On-time reduction to personnel costs due to hiring freeze for dedicated secondary support	\$31,200
Secondary Programs	Funding distributed to directly support approved CTE programs	\$661,000
Postsecondary Programs	Funding distributed to technical colleges to support CTE faculty, operational costs and in-demand CTE program expansion	\$975,700
Agency Operations	One-time reduction in staff dedicated to CTE Educator support	\$69,700
CTE Educator Services	Funding for new CTE educators to complete CTE Educator Preparation programs	\$41,300
<b>Total FY2026 – 2%</b>		<b>\$1,877,300</b>

### FY2027 Budget Reduction Scenarios

#### FY2027 – 1% Reduction

Impact Area	Description	Amount
Secondary Investment	Reduction in secondary CTE program funding	\$622,700
CTE Educator Preparation and Support	Elimination of two FTP, downgrading of director position, and reduction of related rural teacher mentoring/support activities	\$334,900
<b>Total FY2027 – 1%</b>		<b>\$957,600</b>

#### FY2027 – 2% Reduction

Impact Area	Description	Amount
Secondary Investment	Reduction in secondary CTE funding	\$922,700
CTE Educator Preparation and Support	Elimination of two FTP, downgrading of director position, and reduction of related rural teacher mentoring/support activities, including additional operation costs dedicated to classroom visits	\$374,900
Postsecondary Programs	Reduction in postsecondary program enhancements	\$579,700
<b>Total FY2027 – 2%</b>		<b>\$1,877,300</b>

*Totals for FY2026 and FY2027 are intentionally aligned to reflect equivalent percentage-based reduction targets across fiscal years, though the specific reduction strategies and operational impacts differ.*

### Summary: Impact of Reductions to CTE Funding

Career Technical Education (CTE) is one of Idaho’s most direct and effective investments in workforce readiness, economic competitiveness, and community stability. CTE students graduate at rates of 8 percentage points higher than their non-CTE peers (90% compared to 82%), and CTE concentrators achieve strong positive placement outcomes 76% at the secondary level and 87% at the postsecondary level. These results demonstrate that CTE is a proven investment that puts Idahoans to work.

Reductions to secondary CTE funding—particularly program added cost funding (PACF), new program development, and program sustainability—would create immediate and long-term consequences for students, employers, and local economies. Funding cuts to both secondary and postsecondary programs weaken hands-on learning opportunities, limit access to industry-recognized credentials, delay equipment modernization, and reduce alignment between classroom instruction and real-world workforce demands. The result is a less-prepared Idaho talent pipeline in critical sectors such as healthcare, manufacturing, agriculture, information technology, and skilled trades.

In the near term, reduced funding would constrain Idaho's ability to maintain high-demand programs and respond to emerging workforce needs. Over the next two to three years, the cumulative impact would include diminished teacher preparation, slower economic growth, and reduced employer confidence in Idaho's homegrown workforce. Rural communities would be disproportionately affected, as CTE often serves as the primary pathway to local employment, financial independence, and postsecondary education.

### **Impact on Program Added Cost Funding**

Added cost funding supports the core components that distinguish CTE from traditional academic coursework. These funds cover instructional materials, industry-standard equipment, specialized instruction, required certifications, and compliance-related costs. Reductions to added cost funding result in measurable declines in program quality and workforce readiness. Specifically, funding cuts limit hands-on learning by reducing access to consumable lab materials, web-based instructional tools, and required skills assessments. Students lose opportunities to earn industry-recognized credentials, participate in Career Technical Student Organizations (CTSOs), and develop leadership, civic engagement and employability skills. Equipment upgrades are delayed or eliminated, leaving programs misaligned with current industry standards and reducing employer confidence in graduates.

Reductions also affect specialized instruction and regulatory compliance. In health and emergency services programs, fewer clinical hours and reduced instructor availability may place programs at risk of noncompliance. Contracts for essential services such as equipment maintenance, hazardous waste disposal, and short-term industry certifications (e.g., CPR, OSHA) are reduced, leading to unsafe or nonfunctional labs and fewer embedded credentials required for entry-level employment.

When added cost funding declines, programs experience fewer credentialing opportunities, outdated equipment, reduced instructional quality, and weaker alignment with employer expectations which directly impact workforce pipelines in healthcare, manufacturing, information technology, agriculture, and skilled trades.

### **Impact on Establishment of New CTE Programs**

CTE enables Idaho to respond quickly to emerging workforce and economic needs. Developing new programs in areas such as advanced manufacturing, semiconductors, cybersecurity, natural resources, agriculture, and health sciences requires upfront investment in equipment, facilities, and qualified instructors.

The proposed funding cuts significantly slow or halt the creation of new CTE programs. As a result, the state's ability to address emerging workforce demands, attract and retain employers, and remain competitive in a rapidly changing economy is diminished. The full impact of these decisions may not be realized for two to three years but will directly affect long-term economic growth.

### **Impact on Sustaining Approved CTE Programs**

Existing CTE programs require continuous investment to maintain alignment with industry standards. Funding decreases force districts to delay equipment upgrades, reduce work-based learning, increase class sizes, or eliminate program components. Over time, this erodes the effectiveness of programs

and diminishes the return on prior state investments. In some cases, particularly in rural communities, approved CTE programs may be reduced or eliminated entirely.

### **Disproportionate Impact on Rural Communities**

Idaho's rural districts are uniquely impacted by CTE funding cuts. In many rural communities, CTE serves as the primary pathway to workforce preparation, postsecondary training, and local employment. Rural districts already face higher transportation costs, limited instructor availability, and fewer employer partners.

Funding reductions lead to fewer program offerings, longer travel distances for students, increased instructor shortages, and widening opportunity gaps. Because rural economies often rely on a small number of key industries, disruptions to local CTE pipelines can directly affect healthcare access, agricultural productivity, manufacturing capacity, and small business viability.

### **Fire Service Training (FST) Considerations**

If FY26 fourth-quarter training and testing were suspended, Idaho would see significant workforce impacts. Q4 represents the highest volume of training, particularly for rural and volunteer firefighters. Based on FY25 activity, an estimated 1,050 certifications and approximately 477 students could be affected by a Q4 pause in training and testing. Deferred training would create certification backlogs, increase administrative burden in subsequent years, and lead to higher long-term maintenance and operational costs, disproportionately impacting rural and volunteer departments.

### **Impact on Educator Services**

Educator Services has already absorbed an initial 3% reversion (~\$68,952), with a potential additional 2% reduction to IDCTE's budget, Educator Services would be reduced by \$334,900. This cut eliminates two FTP and downgrades a director-level position. These cuts will immediately affect the agency's ability to deliver programs that support CTE teacher preparation, mentoring, and retention statewide. Loss of this expert support and mentoring is projected to undermine gains in teacher preparation and long-term retention which will perpetuate instability and excessive costs to recruit and train teachers.

Reduced travel funding limits in-person mentoring for early-career CTE teachers participating in Inspire Ready!, the agency's flagship teacher preparation program. While the program has been redesigned to reduce costs and increase access, reduced mentor capacity affects instructional quality, teacher retention, and student outcomes.

Elimination of operational funding has also required reducing in-person networking and leadership development for new CTE administrators or CTE teachers who are interested becoming CTE administrators, limited our educator pipeline as programs grow across Idaho. Professional development opportunities for staff have been significantly limited, constraining the agency's ability to remain current with best practices and emerging instructional strategies. Funding cuts to higher education partners further strains the pipeline of qualified CTE educators.

An additional reversion would eliminate regional symposiums, delay key staffing decisions, further reduce mentoring capacity, and increase reliance on virtual or contracted support models. These changes collectively increase risk to teacher retention, instructional quality, and student outcomes.

### **Impact on Agency Operations and Administrative Services**

Reductions to agency operations funding create compounding effects that extend beyond program delivery and increase long-term costs to the state. Operational services including finance, contracts, procurement, data reporting, compliance monitoring, facilities coordination, and statewide system

support enable CTE programs to function efficiently, consistently, and in alignment with statutory and federal requirements.

When operational capacity is reduced, the agency must slow or defer critical functions such as contract management, certification processing, program monitoring, and technical assistance to districts. These delays increase administrative backlog, shift costs to future fiscal years, and elevate risk related to compliance, audit findings, and state or federal reporting timelines. Over time, reduced operational staffing and capacity limit the agency's ability to respond to legislative direction, support districts equitably, and ensure consistent implementation of statewide initiatives.

Operational decreases also constrain long-term planning and modernization efforts. Investments in data systems, process improvement, and cross-agency coordination are delayed or abandoned, resulting in greater reliance on manual processes and increased staff workload. This reduces efficiency, increases error risk, and ultimately costs more to correct in future years. Stable operational funding allows the agency to manage resources responsibly, maintain compliance, and deliver programs with consistency and fiscal accountability statewide.

**Conclusion** CTE funding is not solely an education expense; it is a strategic workforce investment. Reductions affect students today and weaken Idaho's long-term economic competitiveness by disrupting Idaho grown talent pipelines, reducing employer readiness, and limiting community stability, particularly in rural areas. Stable or sustained funding allows Idaho to modernize equipment, maintain high-demand programs, recruit and retain qualified instructors, and ensure equitable access to high-quality, career-aligned education statewide. Continued investment in CTE strengthens Idaho's workforce, economy, and communities.

# 1-0099. Career Technical Education Add'l 1%

**Total: \$ (957,600)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to	Please add a very detailed description of
503	EDEA		10000	-	\$ (98,400)	\$ -	\$ -	\$ -	\$ (98,400)	Central administrative services	Prior to FY 2000	See Attached
503	EDEB		10000		\$ (31,200)				\$ (31,200)	Secondary program support	Prior to FY 2000	See Attached
503	EDEB		10000					\$ (261,000)	\$ (261,000)	Secondary LEA program funding	Prior to FY 2000	See Attached
503	EDEC		10000			\$ (156,000)		\$ (300,000)	\$ (456,000)	Postsecondary programs	Prior to FY 2000	See Attached
503	EDED		10000		\$ (69,700)				\$ (69,700)	Educator Services, CTE educator preparation, occupational specialist routes	FY2021	See Attached
503	EDED		10000					\$ (41,300)	\$ (41,300)	Educator Services, CTE Educator preparation, degree based programs	Prior to FY 2000	See Attached

# 1-0099. Career Technical Education Add'l 2%

Total: **\$ (1,877,300)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to	Please add a very detailed description of
503	EDEA		10000	-	\$ (98,400)	\$ -	\$ -	\$ -	\$ (98,400)	Central administrative services	Prior to FY 2000	See Attached
503	EDEB		10000		\$ (31,200)				\$ (31,200)	Secondary program support	Prior to FY 2000	See Attached
503	EDEB		10000					\$ (661,000)	\$ (661,000)	Secondary LEA program funding	Prior to FY 2000	See Attached
503	EDEC		10000		\$ (519,700)	\$ (156,000)		\$ (300,000)	\$ (975,700)	Postsecondary programs	Prior to FY 2000	See Attached
503	EDED		10000		\$ (69,700)				\$ (69,700)	Educator Services, CTE educator preparation, occupational specialist routes	FY2021	See Attached
503	EDED							\$ (41,300)	\$ (41,300)	Educator Services, CTE Educator preparation, degree based programs	Prior to FY 2000	See Attached

# 1-0107r. Idaho Public Television, Add'l 1% Reduction

Total: **\$ (34,300)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
520	EDKA	-	10000	-	(5,000)	(22,300)	(7,000)	\$ -	\$ (34,300)	Idaho Public Television is an entity under the Idaho State Board of Education and does not have separate programs. It has two components: broadcast infrastructure and content. The General Fund supports the efforts to maintain and operate the state agency including operational expenses, capital investments and minimal staffing. The reductions will affect IPTV's broadcasting function which includes the statewide transmission network, master control operations, emergency alerting, and system monitoring that allow IPTV services to reach all Idahoans, including rural communities. IPTV is an essential partner in the state's Emergency Operations Plan overseen by the Idaho Military Division and works closely with the Idaho Office of Emergency Management. All content creation, acquisition and educational efforts are supported by donations to the Friends of Idaho Public Television.	Initially there were three independent public television stations that covered much of Idaho. In the early 1980's the legislature combined management of these media outlets within the Idaho State Board of Education, under one entity, the Idaho Educational Public Broadcasting System. There have been no Federal grant funds for broadcast infrastructure since the FCC mandated Digital Television conversion in the mid-2000's. This caused greater reliance on the state's General Fund to support the transmission systems, monitoring, and technical and administrative staff required to operate a reliable broadcast network. IPTV has continued to rely on private donor and grant funded support education activities and content acquisition and production from the Friends of Idaho Public Television. When available, additional private support has been used to purchase equipment.	Any reductions to General Fund support may weaken IPTV's ability to maintain our network operations center and the infrastructure that sits atop many mountains throughout Idaho. Cuts reduce monitoring, delay replacement of aging equipment, increase outage risk, and diminish emergency alert reliability. While Friends of Idaho Public Television may occasionally augment the purchase equipment, the agency relies on General Fund dollars to replace capital assets because they support the entire state. While IPTV can cope with these cuts for a limited amount of time, our 10-year capital replacement plan continues to be pushed out further which will lead to failures in the system. A specific example is our system of 46 translators (low power transmitters) which rebroadcast our high-power transmitter signals into rural areas. The manufacturer of these translators is no longer in business or supporting the equipment. A grant IPTV applied for from FEMA to fund the purchase of this equipment was cancelled. These translators are \$20,000 to \$30,000 each. Our plan is to tackle them based on priority based upon our budget.

# 1-0107r. Idaho Public Television, Add'l 2% Reduction

Agency	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
									\$ (68,600)			
520	EDKA	-	10000	-	(10,000)	(44,600)	(14,000)	\$ -	\$ (68,600)	Idaho Public Television is an entity under the Idaho State Board of Education and does not have separate programs. It has two components: broadcast infrastructure and content. The General Fund supports the efforts to maintain and operate the state agency including operational expenses, capital investments and minimal staffing. The reductions will affect IPTV's broadcasting function which includes the statewide transmission network, master control operations, emergency alerting, and system monitoring that allow IPTV services to reach all Idahoans, including rural communities. IPTV is an essential partner in the state's Emergency Operations Plan overseen by the Idaho Military Division and works closely with the Idaho Office of Emergency Management. All content creation, acquisition and educational efforts are supported by donations to the Friends of Idaho Public Television.	Initially there were three independent public television stations that covered much of Idaho. In the early 1980's the legislature combined management of these media outlets within the Idaho State Board of Education, under one entity, the Idaho Educational Public Broadcasting System. There have been no Federal grant funds for broadcast infrastructure since the FCC mandated Digital Television conversion in the mid-2000's. This caused greater reliance on the state's General Fund to support the transmission systems, monitoring, and technical and administrative staff required to operate a reliable broadcast network. IPTV has continued to rely on private donor and grant funded support education activities and content acquisition and production from the Friends of Idaho Public Television. When available, additional private support has been used to purchase equipment.	Any reductions to General Fund support may weaken IPTV's ability to maintain our network operations center and the infrastructure that sits atop many mountains throughout Idaho. Cuts reduce monitoring, delay replacement of aging equipment, increase outage risk, and diminish emergency alert reliability. While Friends of Idaho Public Television may occasionally augment the purchase equipment, the agency relies on General Fund dollars to replace capital assets because they support the entire state. While IPTV can cope with these cuts for a limited amount of time, our 10-year capital replacement plan continues to be pushed out further which will lead to failures in the system. A specific example is our system of 46 translators (low power transmitters) which rebroadcast our high-power transmitter signals into rural areas. The manufacturer of these translators is no longer in business or supporting the equipment. A grant IPTV applied for from FEMA to fund the purchase of this equipment was cancelled. These translators are \$20,000 to \$30,000 each. Our plan is to tackle them based on priority based upon our budget.

# 1-0091r. Special Programs, FUR Add'l 1%

Total: **\$ (1,688,270)**

Agency Number	Approp Unit	OT	Fund	FTP	Personn	Operating Expense	Capital Outlay	Trustee and	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these
514	EDJA (FUR)		10000			\$ (17,400)			\$ (17,400)	FUR - ALL UNITS	1939	Travel and operating expenditures will be frozen up to this amount reducing units travel and operating to critical needs only

# 1-0091r. Special Programs, FUR Add'l 2%

Total: **\$ (3,376,640)**

Agency Numb	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these
514	EDJA (FUR)		10000			\$ (34,800)			\$ (34,800)	FUR - ALL UNITS	1939	All operations and travel will be suspended for the remainder of FY2026 impacting students and external stakeholder support

# 1-0113r. Special Programs, IGS Add'l 1%

Agency Numb	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
514	EDJB (IGS)		10000	(1.00)	\$ (14,100)				\$ (14,100)	IGS operations at large, specifically the subsurface energy and mineral program	1919	IGS will respond to the proposed reductions by eliminating a full FTE position. Although the reduction is less than one full FTE, the cumulative FY26 and FY27 budget cuts cannot be absorbed through additional efficiency measures or operational reductions, all of which have been exhausted. IGS cannot continue to operate with no remaining operational funds, making staff reorganization unavoidable. These reductions will directly limit IGS's ability to provide critical subsurface information to Idaho's mineral and energy industries at a time of increased demand in support of the state's mineral economy.
<b>Total:</b>									<b>\$ (1,688,270)</b>			

# 1-0113r. Special Programs, IGS Add'l 2%

Total: **\$ (3,376,640)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
514	EDJB (IGS)		10000	(1.00)	\$ (28,200)				\$ (28,200)	IGS operations at large, specifically the subsurface energy and mineral program	1919	IGS will respond to the proposed reductions by eliminating a full FTE position. Although the reduction is less than one full FTE, the cumulative FY26 and FY27 budget cuts cannot be absorbed through additional efficiency measures or operational reductions, all of which have been exhausted. IGS cannot continue to operate with no remaining operational funds, making staff reorganization unavoidable. These reductions will directly limit IGS's ability to provide critical subsurface information to Idaho's mineral and energy industries at a time of increased demand in support of the state's mineral economy.

# 1-0113r. Special Programs, IMNH Add'l 1%

Total: **\$ (69,500)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
513	EDGB	OT	10000		\$ (7,900)	\$ -	\$ -	\$ -	\$ (7,900)	Idaho Museum of Natural History - part time staffing		This reduction in part time staffing will limit museum programs and services.

# 1-0113r. Special Programs, IMNH Add'l 2%

**Total: \$ (2,231,364)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
513	EDJD	OT	10000		\$ (15,800)	\$ -	\$ -	\$ -	\$ (15,800)	Idaho Museum of Natural History - part time staffing	N/A	This reduction in part time staffing will limit museum programs and services.

# 1-0113r. Special Programs, FUR Add'l 1%

Total: **\$ (9,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these
516	EDJI	OT	10000		\$ (9,400)				\$ (9,400)	Idaho SBDC	1996	Reduce work hours for client-facing positions directly lowering impact and growth for Idaho Small Businesses.

# 1-0113r. Special Programs, FUR Add'l 2%

Total: **\$ (18,700)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these
516	EDJI	OT	10000		\$ (18,700)				\$ (18,700)	Idaho SBDC	1996	Reduce work hours for client-facing positions directly lowering impact and growth for Idaho Small Businesses.

## 516 EDJK TechHelp Additional Holdback

Identify how budget reductions will affect the current workforce and whether additional reductions will necessitate formal reductions in force, furloughs, or both.

A reduction in salary and benefits funding would directly affect TechHelp's ability to provide timely, high-quality services to Idaho manufacturers. As a people-driven program, TechHelp's effectiveness depends largely on staff expertise and direct client engagement. Reducing funding in this area would diminish available staff hours for delivering technical assistance, conducting on-site visits, and performing outreach activities that connect manufacturers to improvement and growth opportunities. Operationally, this reduction would limit overall client service capacity by reducing the number of consulting, assessment, and implementation hours available during the program year. Project timelines would likely extend due to decreased personnel availability, reducing responsiveness to manufacturer needs and potentially delaying measurable outcomes such as cost savings, productivity improvements, and job retention. In addition, TechHelp's ability to conduct proactive outreach, particularly in rural and underserved regions would be constrained, limiting engagement with firms that often benefit most from our services. Reduced salary funding would also decrease flexibility to participate in high-impact state or regional initiatives related to innovation, supply-chain resiliency, and technology adoption. While TechHelp will continue to prioritize core client services and pursue mitigation strategies such as operational efficiencies, partnerships, and alternative funding sources, the reduction would nonetheless result in fewer client engagements and a corresponding decline in overall economic impact across Idaho's manufacturing sector.

Identify when affected programs were added to the budget.

This affects all existing programs within TechHelp. This most acutely effect the support and management of the studio\Blu program and the ability to hire and train students as they progress in our program to become experienced new hires for the Idaho economy and workforce.

Identify if an essential service is affected.

An additional 1–2% reduction would have a direct impact on the delivery of essential services to Idaho manufacturers and food processors. TechHelp operates with a lean, staff-driven cost structure, and the majority of funding supports professional personnel who provide one-on-one technical assistance, workforce training, and compliance support. Because there is limited discretionary spending, even a modest reduction would reduce service capacity, increase wait times for assistance, and limit the number of client engagements we can support. These impacts would be felt most acutely in rural and economically distressed communities that rely on TechHelp due to limited access to private technical services. A reduction at this level would constrain our ability to deliver critical training and on-site support related to food safety, workforce readiness, and operational continuity, and would reduce flexibility to respond to time-sensitive business needs. While incremental in size, an additional cut would meaningfully diminish service levels and reduce the overall return on the state's investment.

Identify efficiencies.

TechHelp operates with a strong emphasis on efficiency and fiscal stewardship and has already implemented multiple measures to maximize the impact of state and federal funding. The organization uses a lean, cross-trained staffing model that allows professional staff to support multiple service areas, minimizing redundancy while maintaining continuity of service. Core administrative functions such as finance, HR, payroll, procurement, and compliance reporting are centralized, reducing overhead and ensuring consistency and audit readiness. In addition, TechHelp has invested in automation and systems integration to streamline financial

workflows, reporting, and compliance tracking, significantly reducing manual processes and administrative burden. Service delivery is structured using a blended model that combines on-site assistance with virtual and hybrid training when appropriate, helping control travel costs while maintaining access for rural clients. TechHelp also leverages strategic partnerships with Idaho's universities, the Idaho Manufacturing Alliance, and other economic development organizations to extend its reach without increasing staffing. These efficiencies allow TechHelp to deliver high-impact services with limited resources; however, the organization is already operating near optimal efficiency, meaning further reductions would directly reduce service capacity rather than generate additional savings.

# 1-0113r. Special Programs, TechHelp Add'l 1%

Total: **\$ (4,600)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
516	EDJK	OT	10000		\$ (4,600)				\$ (4,600)	TechHelp		A reduction in salary and benefits funding would directly affect TechHelp's ability to provide timely, high-quality services to Idaho manufacturers. TechHelp's effectiveness depends largely on staff expertise and direct client engagement. Reducing funding in this area would diminish available staff hours for delivering technical assistance, conducting on-site visits, and performing outreach activities that connect manufacturers to implement growth opportunities. See attached.

# 1-0113r. Special Programs, TechHelp Add'l 2%

Total: **\$ (9,200)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
516	EDJK	OT	10000		\$ (9,200)				\$ (9,200)	TechHelp		An additional 1-2% reduction would have a direct impact on the delivery of essential services to Idaho manufacturers. TechHelp operates with a lean, staff-driven cost structure and the majority of funding supports professional personnel who provide one-on-one technical assistance, workforce training and compliance support. Because there is limited discretionary spending, even a modest reduction would reduce service capacity, increase wait times for assistance and limit the number of client engagements we can support. See attached.



Mr. Bybee (on behalf of JFAC Co-Chairs),

The Idaho Department of Education's budget request included a three percent one-time holdback for FY 2026 and an ongoing three percent reduction for FY 2027. If additional FY 2026 and FY 2027 cuts are necessary, we propose reducing funding for the Advanced Opportunities for Nonpublic School Students program (established in 2021) and eliminating funding for the Local Innovation School Act (established in 2016).

These are passthrough funds to schools, and this approach will ensure that the department can continue its work without reducing support to Idaho's districts and public charter schools.

I would like to emphasize a few key points. With the ongoing discussions between the Trump Administration and the U.S. Congress about eliminating the U.S. Department of Education, this state agency is in a very different situation than other state agencies, whose federal counterparts are not being discussed for elimination, as part of efforts to shift power and oversight back to the states. These efforts are not speculative either.

When this occurs, I want to be sure that the Idaho Department of Education is well-positioned to distribute the millions of dollars that the federal department provides to Idaho schools each year. Those funds will continue to flow in Idaho, hopefully with reduced red tape, bureaucracy, and out-of-state oversight. With an increased focus on state responsibility, I believe it will require continued state funding for the department and its requirements to fulfill state and federal laws.

A handwritten signature in black ink that reads "Debbie Critchfield". The signature is written in a cursive, flowing style.

Debbie Critchfield, Superintendent of Public Instruction

**FY 26**

	Advanced Opportunities Private School T&B in EDBE (Project 1701010)	GF CEC Early Reversion	Innovation in Schools OE in EDBD (Project 1701079)
3%	\$ 361,500	\$ 309,900	\$ 51,600
4%	\$ 482,000	\$ 332,400	\$ 51,600
5%	\$ 602,500	\$ 452,900	\$ 51,600

**FY 27**

	Advanced Opportunities Private School T&B in EDBE (Project 1701010)	Innovation in Schools OE in EDBD (Project 1701079)
3%	\$ 361,500	\$ 98,000
4%	\$ 482,000	\$ 98,000
5%	\$ 602,500	\$ 98,000

# 1-0131. Vocational Rehabilitation Add'l 1%

Total: **\$ (54,500)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
523	EDNB		10000					\$ (48,300)	\$ (48,300)	Vocational Rehabilitation	SFY 1920	<p>A \$48,300 reduction will directly decrease the amount of federal matching funds available to the Vocational Rehabilitation program, resulting in a total service reduction of \$226,800.</p> <p>This reduction will limit the program's ability to provide individualized employment services that help individuals enter the workforce and become self-sufficient, tax-paying citizens. As of 12/31/2025, IDVR has a waitlist of 3,483 individuals. The proposed reduction would delay workforce entry for approximately 113 individuals, increasing long-term dependence on public assistance and reducing potential tax revenue.</p>
523	EDNF		10000		\$ (6,200)				\$ (6,200)	Delay hire one part-time Sign Language Interpreter position.	FY2019	<p>This reduction will impact CDHH's ability to provide timely accommodations, including for employees. While the reduction covers the required holdback, it raises ADA Title II compliance concerns and is not sustainable long term.</p>

# 1-0131. Vocational Rehabilitation Add'l 2%

Total: **\$ (109,000)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
523	EDNB		10000					\$ (96,600)	\$ (96,600)	Vocational Rehabilitation	SFY 1920	<p>A \$96,600 reduction will directly decrease the amount of federal matching funds available to the Vocational Rehabilitation program, resulting in a total service reduction of \$454,600.</p> <p>This reduction will limit the program's ability to provide individualized employment services that help individuals enter the workforce and become self-sufficient, tax-paying citizens. As of 12/31/2025, IDVR has a waitlist of 3,483 individuals. The proposed reduction would delay workforce entry for approximately 226 individuals, increasing long-term dependence on public assistance and reducing potential tax revenue.</p>
523	EDNF		10000	(0.50)	\$ (12,400)				\$ (12,400)	Delay hire one part-time Sign Language Interpreter position.	FY2019	<p>This reduction will impact CDHH's ability to provide timely accommodations, including for employees. While the reduction covers the required holdback, it raises ADA Title II compliance concerns and is not sustainable long term.</p>

# 1-0137. Charter School Commission Add'l 1%

Agency Numbe	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
Total: <b>\$ (2,000)</b>												
525	EDAB		10000	-	\$ -	\$ -	\$ -	\$ -	\$ -	Personnel Costs	Ongoing Expense	The proposed reduction will be absorbed within the Travel category based on year-to-date expenditure trends, which indicate travel spending is currently below projected levels for this point in the fiscal year. While travel costs are inherently variable and difficult to predict, the current spending position provides an opportunity to meet the required reduction. This adjustment will place additional constraints on operational flexibility and will require careful management for the remainder of the fiscal year.
525	EDAB		10000	-	\$ -	\$ (2,000)	\$ -	\$ -	\$ (2,000)	Operating Expenses	Ongoing Expense	

As a result, the Commission will significantly limit travel and apply heightened scrutiny to all travel requests, prioritizing only those that are essential to statutory oversight and compliance functions. Greater reliance on virtual meetings and remote engagement will be necessary to maintain operations, which prevents in-person activities to allow the Commission to continue fulfilling its responsibilities within the revised budget.

# 1-0137. Charter School Commission Add'l 2%

Total: **\$ (4,000)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
525	EDAB		10000	-	\$ -	\$ -	\$ -	\$ -	\$ -	Personnel Costs	Ongoing Expense	The proposed reduction will be absorbed within the Travel category based on year-to-date expenditure trends, which indicate travel spending is currently below projected levels for this point in the fiscal year. While travel costs are inherently variable and difficult to predict, the current spending position provides an opportunity to meet the required reduction. The adjustment will place additional constraints on operational flexibility and will require careful management for the remainder of the fiscal year.  As a result, the Commission will significantly limit travel and apply heightened scrutiny to all travel requests, prioritizing only those that are essential to statutory oversight and compliance functions. Greater reliance on virtual meetings and remote engagement will be necessary to maintain operations, which impacts in-person activities and prevent Commission to continue fulfilling its responsibilities within the revised budget.
525	EDAB		10000	-	\$ -	\$ (4,000)	\$ -	\$ -	\$ (4,000)	Operating Expenses	Ongoing Expense	

## **Impacts of 1% and 2% reductions to the Department of Health and Welfare**

At the request of the Joint Finance and Appropriations Committee, the Department of Health and Welfare (DHW) has submitted options for additional budget holdbacks of 1% and 2%.

DHW exists to support Idahoans in leading healthy, stable, and self-reliant lives. Every day, the department serves Idahoans at every stage of life – from children in crisis to seniors and people with disabilities – often at moments when help is most urgently needed.

The options available for reductions are anticipated to affect the most vulnerable in Idaho and make them less safe, less healthy, and less stable. Additional cuts would be felt directly by Idahoans who rely on state services to meet basic health, safety, and stability needs.

Potential reductions include but are not limited to:

- Delaying payments to Medicaid providers and vendors, which could force providers to leave the Medicaid network, reduce services, or close their doors entirely.
- Eliminating Medicaid services that are not required by federal law, including Home and Community Based Services, Dental Services, and Occupational Therapy, among others.
- Causing further reductions in Medicaid and mental health services for adults and children, including care for people with serious and persistent mental illness.
- Reducing financial support for families who have adopted children from foster care, placing additional strain on those who have provided homes for children with complex needs and increasing the number of youth in child welfare.
- Reducing funding for the 988 crisis hotline and suicide prevention for youths and other at-risk Idahoans, limiting the ability for communities to get help to Idahoans in a mental health crisis when it matters most.
- Reducing funding for the Magellan contract for mental health services for adults and children, which could lead to increased hospitalization and reliance on the crisis system rather than preventive care.
- Holding vacant positions open, which would reduce services such as the ability to care for patients at the state psychiatric hospitals and perform timely inspections at skilled nursing facilities.
- Eliminating available funding to support low-income Idaho families to purchase fresh fruits and vegetables at farmer's markets across the state.

GENERAL FUND AMOUNTS ENTERED AS NEGATIVES

Total: **\$ (12,294,000)** \$ 12,294,000 \$

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	*HWIA	OT	22003					\$ (57,800)	\$ (57,800)	Medicaid Administration & Medical Mgmt.		The Department would reduce prior authorizations and case management for Medicaid participants. This could ultimately lead to increased costs if medically unnecessary services are utilized and not identified through the authorization process and high-cost, high-utilizing participants are not provided case management to keep their care at the most appropriate level possible. The Department will also hold vendor payments.
270	*HWIB	OT	22003					\$ (3,277,500)	\$ (3,277,500)	Coordinated Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 1% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWIC	OT	22003					\$ (3,235,700)	\$ (3,235,700)	Enhanced Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 1% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWID	OT	22003					\$ (2,148,000)	\$ (2,148,000)	Basic Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 1% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWIE	OT	22003					\$ (917,300)	\$ (917,300)	Expansion Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 1% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	HWAA	OT	22003		\$ (457,900)				\$ (457,900)			This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWBA	OT	22003		\$ (302,700)				\$ (302,700)			This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWBC	OT	22003		\$ (70,300)				\$ (70,300)			This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWCA	OT	22003		\$ (1,171,400)				\$ (1,171,400)			This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWIA	OT	22003		\$ (300,000)				\$ (300,000)			Estimated savings related to receipts collected by the MPIU offset with dedicated fund to spend the receipts.
270	HWJC	OT	22003		\$ (116,000)				\$ (116,000)			This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWJE	OT	22003		\$ (116,000)				\$ (116,000)			This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWJF	OT	22003		\$ -	\$ (87,600)			\$ (87,600)			Program is estimating year end reversion in this amount.
270*	HWAH	OT	22003					(\$33,500)	(\$33,500)	Funding for Child Advocacy Centers	FY 2026	This is a one-time appropriation of \$3 million to support child advocacy centers. No impact is anticipated as there are some programs who have indicated they will not be able to spend their full grant award from this appropriation.
270*	HWHB		22003		(\$2,300)				(\$2,300)			We have a vacancy which will have to remain open through 6/30/2026 to meet this holdback obligation.
									\$	4,400		

GENERAL FUND AMOUNTS ENTERED AS NEGATIVES

Total: **\$ (25,777,700)**

#REF!

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	HWIA	OT	22005		\$ 300,000				\$ 300,000			In order to create the General Fund saving the program will need this dedicated fund spending authority to expended the receipts.
270	HWIA *	OT	22002					\$ (173,400)	\$ (173,400)	Medicaid Administration & Medical Mgmt.		This is the federal match portion of the General Fund holdback.
270	HWIB*	OT	22002					\$ (6,678,454)	\$ (6,678,400)	Coordinated Medicaid Plan		This is the federal match portion of the General Fund holdback.
270	HWIC*	OT	22002					\$ (6,593,279)	\$ (6,593,300)	Enhanced Medicaid Plan		This is the federal match portion of the General Fund holdback.
270	HWID*	OT	22002					\$ (4,376,909)	\$ (4,376,900)	Basic Medicaid Plan		This is the federal match portion of the General Fund holdback.
270	HWIE*	OT	22002					\$ (8,255,700)	\$ (8,255,700)	Expansion Medicaid Plan		This is the federal match portion of the General Fund holdback.

GENERAL FUND AMOUNTS ENTERED AS NEGATIVE:

Total: **\$ (24,630,700)**

24630700 \$

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	*HWIA	OT	22003					\$ (115,600)	\$ (115,600)	Medicaid Administration & Medical Mgmt.		The Department would reduce prior authorizations and case management for Medicaid participants. This could ultimately lead to increased costs if medically unnecessary services are utilized and not identified through the authorization process and high-cost, high-utilizing participants are not provided case management to keep their care at the most appropriate level possible. The Department will also hold vendor payments.
270	*HWIB	OT	22003					\$ (6,555,100)	\$ (6,555,100)	Coordinated Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 2% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWIC	OT	22003					\$ (6,471,500)	\$ (6,471,500)	Enhanced Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 2% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWID	OT	22003					\$ (4,296,000)	\$ (4,296,000)	Basic Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 2% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWIE	OT	22003					\$ (1,834,700)	\$ (1,834,700)	Expansion Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget by 2% in FY 2026 would require Idaho Medicaid to hold payments to providers and vendors until FY 2027 and increase Decision Unit 12.82 in the FY 2027 Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Idaho Medicaid has many small and rural providers in its network. Not paying providers and vendors through the end of the fiscal year may lead providers to leave the network, risking the state's ability to meet federal access requirements. Alternatively, the Legislature could pass policy bills to remove services earlier than FY 2027. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	HWA A	OT	22003		\$ (457,900)				\$ (457,900)	Indirect Support Services		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWB A	OT	22003		\$ (302,700)				\$ (302,700)	Physical Health Services		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWB C	OT	22003		\$ (70,300)				\$ (70,300)	Labs		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWB D	OT	22003		\$ -	\$ (10,100)			\$ (10,100)	Suicide Prevention & Awareness		Program is estimating year end reversion in this amount.
270	HWCA	OT	22003		\$ (2,104,800)				\$ (2,104,800)	Self Reliance		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWG D	OT	22003		\$ (248,200)				\$ (248,200)	State Hospital South Staffing		Estimated savings related to receipts collected that can offset General Fund with dedicated fund to spend the receipts.
270	HWG F	OT	22003		\$ (261,100)				\$ (261,100)	Children's Mental Health Staff		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWIA	OT	22003		\$ (537,400)				\$ (537,400)	Medicaid Administration & Medical Mgmt.		Estimated savings related to receipts collected by the MPIU to offset General Fund with dedicated fund to spend the receipts.
270	HWJ B	OT	22003		\$ -	\$ -	\$ -	\$ (78,800)	\$ (78,800)	Foster Care and Assistance		
270	HWJ C	OT	22003		\$ (116,000)				\$ (116,000)	Early Learning & Development		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWJ E	OT	22003		\$ (116,000)				\$ (116,000)	Family & Community Partnerships		This is OT salary savings generated by temporary vacancies and estimated savings generate based on future fill dates.
270	HWJ F	OT	22003		\$ (87,600)				\$ (87,600)	Extended Employment Services		Program is estimating year end reversion in this amount.
270*	HWA A	OT	22003					\$ (67,000)	\$ (67,000)	Funding for Child Advocacy Centers	FY 2026	This is a one-time appropriation of \$3 million to support child advocacy centers. No impact is anticipated as there are some programs who have indicated they will not be able to spend their full grant award from this appropriation.
270*	HWB B	OT	22003		\$ (54,700)			\$ (4,700)	\$ (4,700)			We have a vacancy which will have to remain open through 6/30/2026 to meet this holdback obligation.

GENERAL FUND AMOUNTS ENTERED AS NEGATIVE:

Total: **\$ (51,335,200)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	HWGD	OT	22005		\$ 248,200				\$ 248,200	State Hospital South Staffing	Various	In order to create the General Fund saving the program will need this dedicated fund spending authority to expended the receipts.
270	HWIA	OT	22005		\$ 537,400				\$ 537,400	MPIU Staffing	Various	In order to create the General Fund saving the program will need this dedicated fund spending authority to expended the receipts.
270	HWIA *	OT	22002					\$ (346,800)	\$ (346,800)	Medicaid Administration & Medical Mgmt.		This is the federal match portion of the General Fund holdback.
270	HWIB*	OT	22002					\$ (13,357,111)	\$ (13,357,100)	Coordinated Medicaid Plan		This is the federal match portion of the General Fund holdback.
270	HWIC*	OT	22002					\$ (13,186,762)	\$ (13,186,800)	Enhanced Medicaid Plan		This is the federal match portion of the General Fund holdback.
270	HWID*	OT	22002					\$ (8,753,818)	\$ (8,753,800)	Basic Medicaid Plan		This is the federal match portion of the General Fund holdback.
270	HWIE*	OT	22002					\$ (16,512,300)	\$ (16,512,300)	Expansion Medicaid Plan		This is the federal match portion of the General Fund holdback.

GENERAL FUND AMOUNTS ENTERED AS NEGATIVES

Total: \$ (12,294,000) \$ 12,294,000 \$

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	*HWIA		22003					\$ (57,800)	\$ (57,800)			The Department would reduce prior authorizations and case management for Medicaid participants. This could ultimately lead to increased costs if medically unnecessary services are utilized and not identified through the authorization process and high-cost, high-utilizing participants are not provided case management to keep their care at the most appropriate level possible.
270	*HWIB		22003					\$ (3,277,500)	\$ (3,277,500)	Coordinated Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWIC		22003					\$ (3,235,700)	\$ (3,235,700)	Enhanced Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWID		22003					\$ (2,148,000)	\$ (2,148,000)	Basic Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	*HWIE		22003					\$ (917,300)	\$ (917,300)	Expansion Medicaid Plan		Reducing the Medicaid Trustee & Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$31,636,300. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.
270	HWAA		22003		\$ (56,800)			\$	\$ (56,800)	Director's Office / Financial Services		This reduces the amount in PC available to cover any unforeseen expenditure such as overtime, pay for holidays worked, and vacation payouts. Will have to hold vacancies longer to make up any one time costs and response time will be reduced as overtime hours will be reduced to stay within budget.
270	HWAA		22003			\$ (96,000)		\$	\$ (96,000)	DHW Data Centers		This will remove funding intended for maintenance of HVAC and UPS data center hardware. Elimination of regular maintenance of these components increases the risk of data center outages, which could result in DHW being incapable of doing business due to critical software applications such as Idaho Benefits Eligibility System (IBES); this is the critical system that is used to determine who is eligible for benefits and processes benefits applications, being unavailable. If this system is unavailable, DHW is unable to determine benefit eligibility for Idahoans and assist with benefit cases. Further, DHW will be unable to complete federal and state benefit programs requirements.
270	HWAA		22003			\$ (46,100)		\$	\$ (46,100)	\$46K - DHW Facilities, but will impact 88 employees in SR	The Bridger lease began in 2017	Ending the Bridger building lease at its normally scheduled date, February 28, 2027 would require approximately 88 staff to be relocated to either the PTC or Westgate locations in Boise. All staff at this location work in the child support program and this location does not serve the public.
270	HWBA		22003			\$ (53,300)		\$ (59,600)	\$ (112,900)	Physical Activity and Nutrition, BRFSS		Reducing general fund support for the Physical Activity and Nutrition Program supporting obesity prevention and fall prevention programming for seniors. Specifically, this will eliminate funding to support vouchers for fresh fruits and vegetables at Idaho farmers markets statewide including vouchers that double the value of electronic benefits and activities that support Idaho farmers markets to increase the use of electronic benefits machines. This could impact approximately 700 individuals. Subgrants with local public health districts will be reduced that provide for Fit and Fall Proof classes and could reduce the number of classes statewide impacting approximately 1,295 participants. It also reduces general fund support for the Behavioral Risk Factor Surveillance System (BRFSS) survey. Federal funds are available to support questions in the voluntary telephonic survey.
270	HWCA		22003		\$ (147,800)	\$ (200,000)		\$	\$ (347,800)	Benefit Eligibility		This will remove personnel cost associated with salary savings. Additionally, operating expense for various technology contracts. Reducing the support will add risk that federal and state mandated system changes, system improvements, and routine system maintenance will likely be delayed beyond requested timelines. This will likely include changes to meet OBBBA and HB345 including work requirements, twice annual Medicaid expansion eligibility determinations, and regular system maintenance for all eligibility system determinations. Ultimately it will increase the likelihood of backlogs and worse case, it could increase the error rate for SNAP.
270	HWCC		22003					\$ (120,000)	\$ (120,000)	Aid to the Aged Blind & Disabled	Prior to 1993	This reduces money for the Aid to the Aged, Blind, and Disabled program. This is an expansion of the already proposed FY26 \$1.4M reduction. DHW anticipates that this can be supported through current utilization trend but if trend changes, a supplemental would be needed.
270	HWGB	AMH GF	22003		\$ (67,000)	\$ (100,000)		\$ (125,900)	\$ (292,900)			The Adult Mental Health 1% holdback will be achieved in three reductions. The first is holding a vacant clinical position responsible for performing designated exams and coordinating the admissions and discharge process to the state hospitals. This may impact number of exams completed and time to completion. Second is a reduction in the contract for the electronic health record that is used by DHW, DJC, DOC, and ISC. However, the majority of impact will be on DHW. Losing staff and losing funding in the Magellan contract means a reduction in the services available to Idahoans. Ultimately, the impact could lead to increased hospitalization and reliance on the crisis system rather than more prevention care.
270	HWGC	SHN GF	22003		\$ (111,100)			\$	\$ (111,100)			Adjust Personnel Costs off the General fund onto the dedicated fund. Positions will be filled when receipt cash flow supports. Need dedicated funding spending authority

270	HWGD	SHS GF	22003	\$	(88,100)		\$	(88,100)			
270	HWGE	COM HOS GF	22003			\$	(49,600)	\$	(49,600)		
270	HWGF	CMH GF	22003	\$	(33,000)		\$	(62,600)	\$	(95,600)	
270	HWGI		22003		(\$22,100)	0	0	\$	(22,100)	State Hospital West operating expenses FY2021	
270	HWIA		22003	\$	-	\$	(268,700)	\$	-	\$	(268,700) Medicaid Administration & Medical Mgmt.
270	HWJA		22003		\$	(431,900)		\$	(431,900)	Child protection, foster care, and adoptions	
270	HWJB		22003		\$	(250,000)		\$	(250,000)	Child protection, foster care, and adoptions	
270	HWJC		22003		\$	(100,000)		\$	(100,000)	Infant Toddler Program	
270	HWJD		22003		(\$64,300)			\$	(64,300)	Southwest Idaho Treatment Center maintenance, housekeeping and food service.	
270	HWJF		22003				\$	(35,400)	\$	(35,400) Extended Employment Services	
270	HWLC		22003		\$	(32,600)		\$	(32,600)	Bureau of Facility Standards, Skilled Nursing Facilities	
270*	HWHA		22003		(\$23,500)	(\$10,000)	0	\$	(33,500)	N/A	
270*	HWHB		22003		(\$2,300)	0	0	\$	(2,300)		

Adjust Personnel Costs off the General fund onto the dedicated fund. Positions will be filled when receipt cash flow supports. Need dedicated funding spending authority, State Hospital South anticipates meeting the 1% reduction through revenue generation via billing. If this cannot be achieved, SHS will need to hold vacant positions.

Holding funding from the community hospitalization budget reduces the funding available to cover contract designated examiners, transportation, and the actual cost of hospitalizing court committed Idahoans. DHW does not have control over any costs in this budget because performing DEs, transporting patients, and paying for the hospitalization costs of committed patients, which is complete determined by Idaho courts. Therefore, this would likely lead to a supplemental request.

The CMH 1% reduction will be achieved in two reductions. The first is holding a vacant position open. This position will likely be a clinical position does designated exams or works on the Jeff D compliance work. The second is reduction in the contract with Magellan, which results in a reduction of services available to children. Losing staff and losing funding in the Magellan contract means a reduction in the services available to Idahoans. These T&B funds are typically used to for placement on kids in residential care and community based services. Ultimately, the impact could lead to increased hospitalization and reliance on the crisis system rather than more prevention care.

State Hospital West has seen increased billing of private sector clients over the past year and anticipates this billing will offset the necessary cuts.

This assumes that SHW can hire and maintain staffing of direct care staff and nurses to maintain the necessary receipts.

The department would decrease its contract for comprehensive managed care consulting support for House Bill 345. Impacts would be reduced hours of support for writing the Request for Proposal, organizational redesign and training, implementation support for contract go live or other support such as stakeholder engagement.

Post adoption services provide adoptive families resources to continue to support their adoptive child beyond adoption assistance payments. These services allow adoptive parents access to a case manager, real time support and outreach services all to avoid disruption in the adoption. If adoption is disrupted the youth is generally placed back in the Department's custody leading to more youth in the child welfare system.

This service provides for additional safety assessment during non-business hours, weekends, holidays. This reduces the need for state employee overtime and helps with safety assessor work life balance. Limiting the number of cases that the contractor can work on, increases state employee OT and may lead to increases in employee turnover due to increased workload/caseloads. This will reduce the number of contracted case managers supporting youth and families and increase the case loads of state employee case managers. Thereby, reducing the amount of contact to ensure program is effective and other services are not needed to support youth and family. Additionally, this is how progress is monitored to graduate youth and families from the program successfully.

Efficiencies gained by combining activities across three facilities, such as food services will save \$20,000 annually. Completed DPW projects such as boiler replacement, freezer replacement, and insulation are expected to produce \$44,300 annually in savings.

The program has reverted appropriation annually for several years due to lower utilization and does not anticipate any reduction in services. Unused for ESS services in SFY24 was \$838,900 and in SFY25 was \$733,500.

This reduces the amount in PC available to cover any unforeseen expenditure such as overtime, pay for holidays worked, and vacation payouts. Will have to hold vacancies longer to make up any one time costs and response time will be reduced as overtime hours will be reduced to stay within budget.

The DVC on-going general fund appropriation supports agency personnel and operating costs. Most DVC activities support the administration of federal grant funding under the Dept. of Justice/Office for Victims of Crime and the Dept. of Health and Human Services/Office of Family Violence Prevention Services and personnel costs are primarily allocated to these federal grants.

Personnel cost allocations for staff can be adjusted to increase the allocation to federal and state dedicated funds. Personnel costs for the Executive Director are primarily funded through general fund and state dedicated funding as most ED activities are unallowable under the federal grants. Operating costs can also be adjusted to increase the allocations to federal and state dedicated funds; however, using additional federal and state dedicated funding to cover operating costs, rather than general funds, reduces the amount of federal and state dedicated funding we can direct to victim services programs throughout the state.

We have a vacancy which will have to remain open until 7/9/2026 to meet this holdback obligation. In FY28, if the budget reduction remains in place, we will be unable to fill the vacant position.

Total: \$ (26,986,851)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	*HWIA		22002					\$ (173,400)	\$ (173,400)			Federal match related to GF reduction
270	*HWIB		22002					\$ (6,717,925)	\$ (6,717,925)	Coordinated Medicaid Plan		Federal match related to GF reduction
270	*HWIC		22002					\$ (6,632,248)	\$ (6,632,248)	Enhanced Medicaid Plan		Federal match related to GF reduction
270	*HWID		22002					\$ (4,402,778)	\$ (4,402,778)	Basic Medicaid Plan		Federal match related to GF reduction
270	*HWIE		22002					\$ (8,255,700)	\$ (8,255,700)	Expansion Medicaid Plan		Federal match related to GF reduction
270	HWAA		22002		\$ (56,800)			\$	\$ (56,800)	Director's Office / Financial Services		Federal match related to GF reduction
270	HWAA		22002			\$ (90,300)		\$	\$ (90,300)	DHW Data Centers		Federal match related to GF reduction
270	HWAA		22002			\$ (48,000)		\$	\$ (48,000)		The Bridger lease began in 2017	Federal match related to GF reduction
270	HWCA		22002		\$ (86,800)	\$ (116,700)		\$	\$ (203,500)	Federal Match Dollars		This is the federal portion of matching funds for technology support identified in the General Fund detailed above. It represents a 70% match rate to 30% of GF spend
270	HWGC	SHN DED	22005		\$ 111,100			\$	\$ 111,100			Adjust Personnel Costs off the General fund onto the dedicated fund. Positions will be filled when receipt cash flow supports. Need dedicated funding spending authority
270	HWGD	SHS DED	22005		\$ 72,100			\$	\$ 88,100			Adjust Personnel Costs off the General fund onto the dedicated fund. Positions will be filled when receipt cash flow supports. Need dedicated funding spending authority. State Hospital South anticipates meeting the 1% reduction through revenue generation via billing. If this cannot be achieved, SHS will need to hold vacant positions.
270	HWGI		22005			\$22,100		\$	\$ 22,100	Medicaid Administration & Medical Mgmt.		Adjust Operating expenditures off the General fund onto the dedicated fund. Positions will be filled when receipt cash flow supports. Need dedicated funding spending authority. State Hospital South anticipates meeting the 1% reduction through revenue generation via billing. If this cannot be achieved, SHS will need to hold vacant positions.
270	HWIA		22002		\$ -	\$ (268,700)	\$ -	\$ -	\$ (268,700)			Federal match related to GF reduction
270	HWJB		22002			\$ (100,000)		\$	\$ (100,000)			Federal match related to GF reduction
270	HWJC		22002			\$ (100,000)		\$	\$ (100,000)	Infant Toddler Program		Federal match related to GF reduction
270	HWLC		22002		\$ (158,800)			\$	\$ (158,800)	Bureau of Facility Standards, Skilled Nursing Facilities	Requirement of Medicaid	Federal match related to GF reduction

GENERAL FUND AMOUNTS ENTERED AS NEGATIVES

Total: \$ (24,630,700) \$ 24,630,700 \$

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270	*HWIA		22003					\$ (115,600)	\$ (115,600)			<p>The Department would reduce prior authorizations and case management for Medicaid participants. This could ultimately lead to increased costs if medically unnecessary services are utilized and not identified through the authorization process and high-cost, high-utilizing participants are not provided case management to keep their care at the most appropriate level possible.</p> <p>Reducing the Medicaid Trustee &amp; Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.</p>
270	*HWIB		22003					\$ (6,555,100)	\$ (6,555,100)	Coordinated Medicaid Plan		<p>Reducing the Medicaid Trustee &amp; Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.</p>
270	*HWIC		22003					\$ (6,471,500)	\$ (6,471,500)	Enhanced Medicaid Plan		<p>Reducing the Medicaid Trustee &amp; Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.</p>
270	*HWID		22003					\$ (4,296,000)	\$ (4,296,000)	Basic Medicaid Plan		<p>Reducing the Medicaid Trustee &amp; Benefit General Fund budget would increase Decision Unit 12.82 in the Governor's recommendation from \$22 million to \$41,272,900. DU 12.82 contains potential options for the Legislature including removing Home and Community Based Services, Dental Services, Occupational Therapy, and other services not required by federal law for states to receive federal funding for Medicaid. Should the Legislature remove state laws mandating coverage of certain federally optional services listed in DU 12.82, the department does not have sufficient resources and information to fully predict cost shifts due to Idahoans accessing other federally mandated services, such as emergency room visits and institutional care.</p>
270	*HWIE		22003					\$ (1,834,700)	\$ (1,834,700)	Expansion Medicaid Plan		<p>This reduction would mean the director's office would need to give a support staff position, further delaying response times to stakeholders, processing of invoices, and completion of required reports. Additionally, reduces the amount in PC available to cover any unforeseen expenditure such as overtime, pay for holidays worked, and vacation payouts. Will have to hold vacancies longer to make up any one time costs and response time will be reduced as overtime hours will be reduced to stay within budget.</p>
270	HWAA		22003	(1.00)	\$ (100,000)			\$	\$ (100,000)	Director's Office / Financial Services		<p>\$92.1K End the Bridger lease 8 months early. DHW would need to end the Bridger lease effective June 30, 2026. Sections 14 and 15 in the lease provide for the lease to be terminated early if the legislature does not appropriate sufficient funds, or if the DOA directs the dept to relocate staff to other facilities owned or leased by the State. Notice must be provided in writing 90 days before the term can be effective. This would require approximately 88 staff to be relocated to either the PTC or Westgate locations in Boise. All staff at this location work in the child support program and this location does not serve the public.</p>
270	HWAA		22003			\$ (92,100)		\$	\$ (92,100)	DHW Facilities - will impact 88 employee in SR assigned to this building	The Bridger lease began in 2017	<p>This will remove funding intended for maintenance of HVAC and UPS data center hardware. Elimination of regular maintenance of these components increases the risk of data center outages, which could result in DHW being incapable of doing business due to critical software applications such as Idaho Benefits Eligibility System (IBES); this is the critical system that is used to determine who is eligible for benefits and processes benefits applications, being unavailable. If this system is unavailable, DHW is unable to determine benefit eligibility for Idahoans and assist with benefit cases. Further, DHW will be unable to complete federal and state benefit programs requirements.</p>
270	HWAA		22003			\$ (131,900)		\$	\$ (131,900)	DHW Data Centers		<p>This removes software (e.g., AnyConnect which is used for secure remote access to DHW's network) from staff who may not strictly need it. Losing access may make certain tasks more difficult to accomplish and may impact staff productivity and efficiencies.</p>
270	HWBA		22003			\$ (92,300)		\$ (105,100)	\$ (197,400)	All Public Health services programs funded by general funds.		<p>Reducing all programs funded by general funds by 1% as a base, with elimination of general fund support for the Physical Activity and Nutrition Program supporting obesity prevention and fall prevention programming for seniors. Specifically, this will eliminate funding to support vouchers for fresh fruits and vegetables at Idaho farmers markets statewide including vouchers that double the value of the Supplemental Nutrition Assistance Program and activities that support Idaho farmers markets to increase the use of electronic benefits machines. This is anticipated to impact approximately 700 individuals. Subgrants with local public health districts will be reduced that provide for Fit and Fall Proof classes and could reduce the number of classes statewide impacting approximately 2,043 senior participants. This reduction will also reduce general fund support for the Behavioral Risk Factor Surveillance System (BRFSS) survey; DHW will mitigate impact to the survey through use of available federal funds for BRFSS.</p>
270	HWBC		22003			\$ (7,200)		\$ -	\$ (7,200)	Public Health Laboratory		<p>The 1% reduction in laboratory general funds will cause delayed laboratory reporting. Samples will be held to increase run batch sizes to minimize the cost per batch. Delayed laboratory reporting results in slower public health incident response, decreased customer satisfaction, and greater risk for the public. Decreased funding results in less frequent preventive maintenance for building infrastructure (HVAC, landscaping, janitorial services) which could lead to more costly building repairs in the future. Offsets to achieve the 2% reduction accomplished in HWBA, physical health services.</p>

270	HWBD		22003	\$	(3,900)	\$	(15,200)	\$	(19,100)	Suicide Prevention	This will reduce the amount of funding available for the program to be made available for subgrants to local communities and outreach. This includes a 1% reduction of this funding for 988, a 1% reduction in funding for youth suicide prevention activities through the Dept of Ed, and a 2% reduction in funding available for communities for suicide prevention and outreach activities.
270	HWCA		22003	\$	(315,700)	\$	(500,000)	\$	(815,700)	Benefit Eligibility	This will remove personnel cost associated with salary savings. Additionally, operating expense for various technology contracts. Reducing the support will add risk that federal and state mandated system changes, system improvements, and routine system maintenance will likely be delayed beyond requested timelines. This will likely include changes to meet OB88A and HB345 including work requirements, twice annual Medicaid expansion eligibility determinations, and regular system maintenance for all eligibility system determinations. Ultimately it will increase the likelihood of backlogs and worse case, it could increase the error rate for SNAP which will generate new GF cost given recent federal law changes.
270	HWCC		22003			\$	(120,000)	\$	(120,000)	Aid to the Aged Blind & Disabled Prior to 1993	This reduces money for the Aid to the Aged, Blind, and Disabled program. This is an expansion of the already proposed FY26 \$1.4M reduction. DHW anticipates that this can be supported through current utilization trend but if trend changes, a supplemental would be needed.
270	HWGB	AMH GF	22003	(134,000.00)	\$	(100,000)	\$	(351,800)	\$	(585,800)	The Adult Mental Health 2% holdback will be achieved in three reductions. The first is holding a vacant clinical position responsible for performing designated exams and coordinating the admissions and discharge process to the state hospitals. This may impact number of exams completed and time to completion. Second is a reduction in the contract for the electronic health record that is used by DHW, DJC, DOC, and ISC. However, the majority of impact will be on DHW. Losing staff and losing funding in the Magellan contract means a reduction in the services available to Idahoans. Ultimately, the impact could lead to increased hospitalization and reliance on the crisis system rather than more prevention care.
270	HWGC	SHN GF	22003	\$	(222,200)			\$	(222,200)		The only option for saving General Funds at the state hospitals is either hoping revenue can cover it or holding positions vacant. Since we can't count of revenue, we have to plan to reduce staff. The overwhelming majority of staff at the hospitals are direct service positions and therefore this is what is expected. The 2% holdback would likely force 3 to 4 positions held vacant. A reduction of direct services staff could lead to reduction of census (patients served) putting strain on community hospitals and in some instances, the correctional system.
270	HWGD	SHS GF	22003	\$	(192,100)			\$	(192,100)		The only option for saving General Funds at the state hospitals is either hoping revenue can cover it or holding positions vacant. Since we can't count of revenue, we have to plan to reduce temp staff. The overwhelming majority of staff at the hospitals are direct service positions and therefore this is what is expected. The 2% holdback would likely force 2 temp positions held vacant unless the reduction can be off set by increased revenue. A reduction of direct services staff could lead to reduction of census (patients served) putting strain on community hospitals and in some instances, the correctional system.
270	HWGE	COM HOS GF	22003			\$	(99,300)	\$	(99,300)		Holding funding from the community hospitalization budget reduces the funding available to cover contract designated examiners, transportation, and the actual cost of hospitalizing court committed Idahoans. DHW does not have control over any costs in this budget because performing DEs, transporting patients, and paying for the hospitalization costs of committed patients, which is complete determined by Idaho courts. Therefore, this would likely lead to a supplemental request.
270	HWGF	CMH GF	22003	(66,000.00)		\$	(125,300)	\$	(191,300)		The CMH 2% reduction will be achieved in two reductions. The first is holding a vacant position open. This position will likely be a clinical position does designated exams or works on the Jeff D compliance work. The second is reduction in the contract with Magellan, which results in a reduction of services available to children. Losing staff and losing funding in the Magellan contract means a reduction in the services available to Idahoans. These T&B funds are typically used to for placement on kids in residential care and community based services. Ultimately, the impact could lead to increased hospitalization and reliance on the crisis system rather than more prevention care.
270	HWGI		22003		-44200			\$	(44,200)	State Hospital West operating expenses FY2021	State Hospital West has seen increased billing of private sector clients over the past year and anticipates this billing will offset the necessary cuts. This assumes that SHW can hire and maintain staffing of direct care staff and nurses to maintain the necessary receipts.
270	HWIA		22003	\$	-	\$	(537,400)	\$	(537,400)	Medicaid Administration & Medical Mgmt.	The department would decrease its contract for comprehensive managed care consulting support for House Bill 345. Impacts would be reduced hours of support for writing the Request for Proposal, organizational redesign and training, implementation support for contract go live or other support such as stakeholder engagement.
270	HWJA		22003		(764,000)	\$		\$	(764,000)	Child protection, foster care, and adoptions	Post adoption services provide adoptive families resources to continue to support their adoptive child beyond adoption assistance payments. These services allow adoptive parents access to a case manager, real time support and outreach services all to avoid disruption in the adoption. If adoption is disrupted the youth is generally placed back in the Department's custody leading to more youth in the child welfare system. This will eliminate contract service providers who conduct Interstate Compact for the Placement of Children and Adoption Home studies. Thereby, shifting these obligations to our current case managers. (25K) This will reduce the amount of embedded trainer support we receive for staff training in the field. (250K)
270	HWJB		22003		(550,000)	\$		\$	(550,000)	Child protection, foster care, and adoptions	This service provides for additional safety assessment during non-business hours, weekends, holidays. This reduces the need for state employee overtime and helps with safety assessor work life balance. Limiting the number of cases that the contractor can work on, increases state employee OT and may lead to increases in employee turnover due to increased workload/caseloads. We will pursue the opportunity to add additional IV-E funding for congregate care. Currently, a group of providers are not Qualified Residential Treatment Provider or Medicaid enrolled providers. DHW will leverage funding available through the At Risk Of Human Trafficking option through federal IV-E to offset general funds. This will likely increase after FY27.
270	HWJC		22003	\$	(150,000)	\$	(100,000)	\$	(250,000)	Infant Toddler Program	This will reduce the number of contracted case managers supporting youth and families and increase the case loads of state employee case managers. Thereby, reducing the amount of contact to ensure program is effective and other services are not needed to support youth and family. Additionally, this is how progress is monitored to graduate youth and families from the program successfully. Change three vacancies from the job class from Therapist to Case Management. This will increase the waitlist for youth and families to receive therapist services but also support case management due to a reduction in those contracts (see 1% plan)

270	HWJD	22003		(\$128,600)		\$	(128,600)	Southwest Idaho Treatment Center maintenance, housekeeping and food service.	FY1918	<p>Efficiencies gained by combining activities across three facilities, such as food services will save \$20,000 annually. PW projects such as boiler replacement, freezer replacement, and insulation are expected to produce \$44,300 annually in savings. Directing some maintenance items be completed by staff rather than contractors such as plumbing services, and window cleaning, will save \$52,600 annually. Deferral of some non-critical maintenance items will make up the remainder of the costs. Pulling some maintenance items in house and deferring some maintenance will slow corrections of non-critical maintenance such as painting, deep cleaning of building exteriors etc.</p> <p>The program has reverted appropriation annually for several years due to lower utilization and does not anticipate any reduction in services. Unused for ESS services in SFY24 was \$838,900 and in SFY25 was \$733,500.</p>	
270	HWJF	22003			\$	(126,900)	\$	(126,900)	Extended Employment Services	<p>Reduced funding available by 1% for the office of healthcare policy. Specifically will reduce the amount of funding available for healthcare conferences that support rural physician training and education and reduces funding available for the annual graduate medical education payment. Offsets to achieve the 2% reduction were made in HWBA, physical health services.</p>	
270	HWKB	22003		\$	(300)	\$	(1,700)	\$	(2,000)	<p>This program conducts inspections of skilled nursing facilities to ensure compliance with state and federal health and safety regulations. Extended vacancies could delay survey completion and compromise adherence to federally mandated certification timelines. This also impacts the programs ability to use excess personnel dollars for contract labor when vacancies are higher than expected. Positions 9165, 9161. Additionally, this reduces the amount in PC available to cover any unforeseen expenditure such as overtime, pay for holidays worked, and vacation payouts. Will have to hold vacancies longer to make up any one time costs and response time will be reduced as overtime hours will be reduced to stay within budget.</p>	
270	HWLC	22003	(2.00)	\$	(48,400)		\$	(48,400)	Bureau of Facility Standards, Skilled Nursing Facilities	This program is a requirement of Medicaid	<p>The DVC on-going general fund appropriation supports agency personnel and operating costs. Most DVC activities support the administration of federal grant funding under the Dept. of Justice/Office for Victims of Crime and the Dept. of Health and Human Services/Office of Family Violence Prevention Services and personnel costs are primarily allocated to these federal grants. Personnel cost allocations for staff can be adjusted to increase the allocation to federal and state dedicated funds. Personnel costs for the Executive Director are primarily funded through general fund and state dedicated funding as most ED activities are unallowable under the federal grants. Operating costs can also be adjusted to increase the allocations to federal and state dedicated funds; however, using additional federal and state dedicated funding to cover operating costs, rather than general funds, reduces the amount of federal and state dedicated funding we can direct to victim services programs throughout the state. We have a vacancy which will have to remain open until 7/17/2026 to meet this holdback obligation. In FY28, if the budget reduction remains in place, we will be unable to fill the vacant position.</p>
270*	HWAH	22003		(\$47,000)	(\$20,000)	0	0	\$	(67,000)	N/A	N/A
270*	HWHB	22003		(\$4,700)	0	0	0	\$	(4,700)		

GENERAL FUND AMOUNTS ENTERED AS NEGATIVES

Total: \$ (53,761,111)

\$

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
270 *HWIA			22002					\$ (346,800)	\$ (346,800)			Federal match related to GF reduction
270 *HWIB			22002					\$ (13,436,056)	\$ (13,436,056)	Coordinated Medicaid Plan		Federal match related to GF reduction
270 *HWIC			22002					\$ (13,264,700)	\$ (13,264,700)	Enhanced Medicaid Plan		Federal match related to GF reduction
270 *HWID			22002					\$ (8,805,555)	\$ (8,805,555)	Basic Medicaid Plan		Federal match related to GF reduction
270 *HWIE			22002					\$ (16,512,300)	\$ (16,512,300)	Expansion Medicaid Plan		Federal match related to GF reduction
270 HWAA			22002		\$ (100,000)				\$ (100,000)	Director's Office / Financial Services		Federal match related to GF reduction
270 HWAA			22002			\$ (95,900)			\$ (95,900)	DHW Facilities - will impact 88 employee in SR assigned to this building	The Bridger lease began in 2017	Federal match related to GF reduction
270 HWAA			22002			\$ (124,100)			\$ (124,100)	DHW Data Centers		Federal match related to GF reduction
270 HWAA			22002			\$ (56,900)			\$ (56,900)			Federal match related to GF reduction
270 HWCA			22002			\$ (816,700)			\$ (816,700)	Federal Match Dollars		This is the federal portion of matching funds for technology support identified in the General Fund detailed above. It represents a 70% match rate to 30% of GF spend
270 HWGC	SHN GF		22003		\$ 222,200				\$ 222,200			The only option for saving General Funds at the state hospitals is either hoping revenue can cover it or holding positions vacant. Since we can't count on revenue, we have to plan to reduce staff. The overwhelming majority of staff at the hospitals are direct service positions and therefore this is what is expected. The 2% holdback would likely force 3 to 4 positions held vacant. A reduction of direct services staff could lead to reduction of census (patients served) putting strain on community hospitals and in some instances, the correctional system.
270 HWGD	SHS DED		22005		\$ 192,100				\$ 192,100			State Hospital South anticipates meeting the 2% reduction through revenue generation via billing. If this cannot be achieved, SHS will need to hold vacant positions.
270 HWGI			22005			\$ 44,200			\$ 44,200			
270 HWIA			22002		\$ -	\$ (537,400)	\$ -		\$ (537,400)	Medicaid Administration & Medical Mgmt.		Federal match related to GF reduction
270 HWJA			22002			\$ (35,000)			\$ (35,000)	Child protection, foster care, and adoptions		Federal match related to GF reduction
270 HWJB			22002			\$ 300,000			\$ 300,000	Child protection, foster care, and adoptions		Federal match related to GF reduction
270 HWJC			22002		\$ (150,000)				\$ (150,000)	Infant Toddler Program		Federal match related to GF reduction
270 HWLC			22002	3.00	\$ (238,200)				\$ (238,200)	Bureau of Facility Standards, Skilled Nursing Facilities	This program is a requirement of Medicaid	Federal match related to GF reduction

## 2-0117r. State Independent Living Council, 1% Reduction

Total: **\$ (11,800)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program	Please add a very detailed description of the impact of these reductions.
905	EDND		10000			\$ (11,800)			\$ (11,800)	ABLE, Emergency Preparedness	2017	Reduction on in/out of state travel for council members and staff, the most significant impact is to staff travel to support statewide emergency preparedness work for people with disabilities, first responders and local planners. The result will be less statewide outreach and education and lead to people with disabilities/their families in rural communities having less access to emergency planning and mitigation. Council member travel is already significantly reduced.
												Statewide travel for ABLE outreach, education and technical assistance will also be reduced, especially in frontier communities.

## 2-0117r. State Independent Living Council, 2% Reduction

Total: **\$ (14,700)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
905	EDND		10000			\$ (14,700)			\$ (14,700)	ABLE Emergency Prep	2017	Our emergency preparedness work will, nearly, if not completely, end due to lack of funding for staff travel and materials. This will result in a loss of personal mitigation and preparedness for people with disabilities/their families in the event of a local disaster. A near or total loss of the program will also result in the need to amend the State Plan for Independent Living through the Administration on Community Living within HHS.  We are statutorily required to provide education, outreach and technical assistance for the Idaho ABLE Savings Plan. However, statewide travel, particularly to frontier and rural communities, will be reduced.

Idaho State Independent Living Council  
Submitted by: Mel Leviton, Executive Director  
September 5, 2025

State Independent Living Council (SILC) response to Governor Little's August 15, 2025 Executive Order instructing all state agencies to execute a General Fund holdback for our FY 2026 budget submission.

### **Idaho SILC plan for 3% reduction of GF**

The SILC reduced our FY 2026 General Fund budget by \$8,838.00 indicated in our budget submission prior to August 29, 2025. Savings will be achieved via unused CEC personnel funds as allowed and by a reduction in/out of state travel for Council members and SILC staff. The SILC will also reduce the number of listening sessions during the statewide assessment period, while also reducing a minimal number of emergency preparedness and financial literacy activities.

- a. The SILC has reviewed all current operations and determined that no further consolidation can be achieved. The SILC is small and has no divisions or bureaus.
- b. The SILC has not had a vacancy in five (5) years.
- c. Contract Inventory review completed: No contracts exceeded inflation in the last five (5) years.
- d. The SILC is a governing council.
  - i. There are currently 15 people serving on the Council, four of whom are ex-officio members who work at state agencies that are selected by the governor. We are awaiting an appointment for an at large seat to be held by a veteran with a disability. We have two vacant seats, one in region II and one in region VI. The Council may from time to time fill at large seats to ensure regional and cross disability representation.

A majority of appointees to the Idaho SILC are people with disabilities described in Section 7(8)(B) of the Rehabilitation Act of 1973, as amended and not employed by a State agency or Center for Independent Living (CIL).

The Idaho SILC shall include, pursuant to Section 705 (b)(2):

1. at least one (1) director of a center for independent living chosen by the directors of centers for independent living within the State; and
2. as ex-officio, non-voting members:
  - a. a representative from the designated State unit; and

- b. a representative from other State agencies that provide services for individuals with disabilities.

The agencies represented by ex-officio appointments are the Idaho Division of Vocational Rehabilitation (IDVR), our designated state unit (DSU), The Idaho Commission for the Blind and Visually Impaired (ICBVI), the Department of Health and Welfare (DHW) and the Idaho Commission on Aging (ICOA). While the expertise of ex-officio members is appreciated, the number included impacts our ability to maintain the required quorum of people with disabilities.

The Idaho SILC may include, pursuant to Section 705 (b)(3):

1. other representatives from centers for independent living;
2. parents and guardians of individuals with disabilities;
3. advocates of, and for, individuals with disabilities;
4. representatives from private business;
5. representatives from organizations that provide services for individuals with disabilities; and
6. other appropriate individuals.

As per the Rehabilitation Act of 1973, as amended, in order to conduct business, a quorum made of people with disabilities who do not work for the state or a Center for Independent Living must be maintained. This necessitates limiting the number of people without disabilities who may join. To ensure state wide representation of the Plan for Independent Living, appropriate assessment of need and quarterly monitoring, one member from each of the Centers not represented by a director is included on the Council. There are three Centers in Idaho. The Council makes every effort to ensure representation from each of Idaho's seven health and welfare regions as well as including members at large from unrepresented disability communities to ensure the perspectives and expertise across disabilities and lifespan.

The Council meets quarterly, four times a year. In January and July, the Council conducts a virtual, 3-4 hour business meeting. In April and October, the Council conducts a two day meeting in Boise which includes our business meeting, including committee reports, and member training. Committee meetings are held virtually every one to two months, depending on where we are in the State Plan development process, monitoring and other business.

- ii. Agency costs: \$49,696.56
- e. The Idaho SILC's travel policies adhere to the State's Travel Policy.
- f. Cash Balance as of 08/25/2025: \$253,987.25. Our cash balance includes donations, speakers' fees and interest payments. The Council conserves these



Idaho State Independent Living Council  
Submitted by: Mel Leviton, Executive Director  
January 28, 2026

State Independent Living Council (SILC) response to the January 26, 2026 request by the JFAC Co-Chairs to provide options to further reduce budgets for SFY 2026 and SFY 2027 to result in a General Fund (GF) holdback for our FY 2026 budget appropriation as well as a reduction to our 2027 budget request submission.

#### Idaho SILC initial 3% reduction GF

The SILC reduced our FY 2026 General Fund budget by 3%, \$8,838.00 indicated in our budget submission. Savings were achieved via unused CEC personnel funds as allowed and by a reduction in out of state travel for Council members and SILC staff. The SILC also reduced the number of listening sessions during the statewide disability needs assessment period (July 2025 – September 1, 2026), as well as reducing the number of emergency preparedness and financial literacy workshops and outreach activities. Both state and federal law require the SILC to conduct a statewide needs assessment (minimum of every three years) as well as to work with our partners to develop, submit and monitor a three-year State Plan for Independent Living (SPIL).

#### Idaho SILC plan for an additional 1% reduction GF for SFY 2026 & 2027

The SILC's 2026 GF appropriation, after the above GF holdback, is \$285,762; thus a 1% reduction will result in the loss of an additional \$3,000. Given the size of the organization and the budget, this amount coupled with the prior reduction is not insignificant. In-state and out of state travel for Council members and staff will be further reduced. The most significant impact will be to our statewide emergency preparedness work conducted with people with disabilities and local emergency responders and managers. Our program specialist who manages this statewide program will not travel as much or provide outreach that supports community emergency preparedness activities. The program has already faced a reduction in outreach and education as the SILC executive director is no longer able to assist due to increased administrative demands in recent years.

#### Idaho SILC plan for an additional 2% reduction GF for SFY 2026 & 2027

The SILC's 2026 GF appropriation, after the above GF holdback, is \$285,762; thus a 2% reduction will result in the loss of an additional \$5,900. This amount coupled with the prior reduction is significant. Having already greatly reduced in-state and out of state travel for Council members, staff travel will be further reduced, impacting our outreach and education to people with disabilities, their families and supportive emergency planning organizations in underserved, rural communities. With a total loss of \$14,700, our emergency preparedness work will nearly cease. Because this work is included in





# IDAHO DEPARTMENT OF CORRECTION

*We envision a safer Idaho with fewer people in its correctional system*

**BRAD LITTLE**  
Governor

**BREE DERRICK**  
Director

January 30, 2026

## **Operational and Public Safety Risks of Furloughs and Staffing Reductions**

The implementation of furloughs within the Idaho Department of Correction (IDOC) will have far-reaching consequences across prison operations, administrative functions, and probation and parole supervision. Reduced staffing will compromise safety, disrupt essential services, and increase legal and fiscal risks for the State.

### **Furlough Impact on Prison Operations**

Furloughing all prison staff will force prisons to operate on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates remain locked in their cells or sleeping barracks without access to [statutorily required rehabilitative programming](#). Lack of program access causes delays in parole-readiness and extends incarceration, ultimately increasing long-term costs.

Additionally, modified-secure status creates unnecessary frustration among the population and can lead to increased violence, riots, assaults on staff, and lawsuits related to conditions of confinement (Eighth Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc.

Beyond these legal and safety concerns, modified-secure status severely limits access to educational, vocational, and programming opportunities. It also compromises emergency response capabilities, delaying response times to critical incidents such as medical emergencies, fights, suicide attempts, and fires, further endangering both staff and inmates. Furthermore, disruption to mental health and medical services increases the risk of self-harm, suicide and psychological decompensation.

Most prison staff work 12-hour shifts; furloughs reduce their income, forcing many staff to seek second jobs, which contribute to fatigue and exhaustion - further eroding safety in prisons. Continued use of furloughs will result in increased staff attrition, compounding operational challenges.

### **Furlough Impact on Administration/Management Services**

The implementation of six furlough days within the Idaho Department of Correction administration will create significant ripple effects across multiple operational areas. Reduced staffing time will strain employee wellness by increasing stress and workload during non-furlough periods, while also delaying processing critical tasks such as paying invoices, addressing maintenance concerns, ordering and distributing supplies such as cleaning products to prisons, completing inmate meal planning and ordering, and fulfilling

public records requests. Such disruptions not only undermine efficiency but also risk noncompliance with public records laws and expose the State to potential Eighth Amendment claims related to conditions of confinement.

### **Furlough Impact on Probation and Parole**

A reduction in force would radically shift IDOC's ability to provide effective probation and parole supervision. Probation and Parole officers' caseloads would increase dramatically – from an average of 75 cases per officer to approximately 100 – placing substantial demands on officer time and resources.

To manage the increased demands on officer time, IDOC would have to shift operations to a primarily office-based supervision, eliminating most home, treatment center, and job site visits. Nearly all visits would occur at the Probation and Parole office, which greatly reduces access to collateral information and early warning indicators that a person may be decompensating (e.g., during home visits, officers check for signs of drug and alcohol use), increasing the likelihood that high-risk individuals go unsupervised.

Additionally, Probation and Parole Officers would have reduced availability to collaborate with local law enforcement on arrests and other joint task force operations. For example, IDOC Probation and Parole Officer currently staffs the Metro Violent Crime Task Force in the Treasure Valley, a critical partnership that would be jeopardized under furlough conditions.

Other impacted areas:

- Prolonged administrative processes for violation reports, arrest warrants, and revocation filings
- Reduced victim notification and safety planning
- Increased housing instability and risk of relapse and recidivism

Total: \$ (3,525,900)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
230	CCAA		10000	-	\$ (234,700)	\$ -	\$ -	\$ -	\$ (234,700)	All IDOC	Varies	6 Furlough Days; The implementation of six furlough days within the Idaho Department of Correction (IDOC) administration will have significant ripple effects across multiple operational areas. Reduced staffing time will impact employee wellness by increasing stress and workload during non-furlough periods, while also creating delays in processing critical tasks such as paying invoices, addressing maintenance concerns, ordering and distributing supplies such as cleaning products to prisons, completing inmate meal planning and ordering, and fulfilling public records requests. These disruptions not only hinder efficiency but could put IDOC out of compliance with public records laws and at-risk for 8th Amendment claims.
230	CCAC		10000	-	\$ (523,600)	\$ -	\$ -	\$ -	\$ (523,600)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
230	CCAD		10000	-	\$ (199,200)	\$ -	\$ -	\$ -	\$ (199,200)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
230	CCAE		10000	-	\$ (135,100)	\$ -	\$ -	\$ -	\$ (135,100)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
230	CCAF		10000	-	\$ (206,700)	\$ -	\$ -	\$ -	\$ (206,700)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
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230	CCAH		10000	-	\$ (103,100)	\$ -	\$ -	\$ -	\$ (103,100)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
230	CCAI		10000	-	\$ (140,000)	\$ -	\$ -	\$ -	\$ (140,000)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
230	CCAJ		10000	-	\$ (582,000)	\$ -	\$ -	\$ -	\$ (582,000)	All IDOC	Varies	6 Furlough Days all staff including 290 P.O.S.T certified Probation & Parole Officers; The implementation of six furlough days will significantly hinder Probation and Parole operations within the Idaho Department of Correction (IDOC). Reduced staffing will limit officers' ability to maintain a proactive approach to supervision, decreasing opportunities for early intervention and effective monitoring of individuals on probation or parole. Additionally, diminished availability to collaborate with law enforcement partners will weaken community safety efforts and strain interagency relationships. These operational challenges, combined with increased workloads during non-furlough periods, will negatively impact staff wellness and morale, creating further risks to overall effectiveness and public safety.
230	CCAK		10000	-	\$ (31,400)	\$ -	\$ -	\$ -	\$ (31,400)	All IDOC	Varies	6 Furlough Days; The implementation of six furlough days within the Idaho Department of Correction (IDOC) administration will have significant ripple effects across multiple operational areas. Reduced staffing time will impact employee wellness by increasing stress and workload during non-furlough periods, while also creating delays in processing critical tasks such as paying invoices, addressing maintenance concerns, ordering and distributing supplies such as cleaning products to prisons, completing inmate meal planning and ordering, and fulfilling public records requests. These disruptions not only hinder efficiency but could put IDOC out of compliance with public records laws and at-risk for 8th Amendment claims.
230	CCAL		10000	-	\$ (119,000)	\$ -	\$ -	\$ -	\$ (119,000)	All IDOC	Varies	6 Furlough Days; The implementation of six furlough days within the Idaho Department of Correction (IDOC) administration will have significant ripple effects across multiple operational areas. Reduced staffing time will impact employee wellness by increasing stress and workload during non-furlough periods, while also creating delays in processing critical tasks such as paying invoices, addressing maintenance concerns, ordering and distributing supplies such as cleaning products to prisons, completing inmate meal planning and ordering, and fulfilling public records requests. These disruptions not only hinder efficiency but could put IDOC out of compliance with public records laws and at-risk for 8th Amendment claims.



Total: \$ (7,051,800)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
230	CCAA		10000	-	\$ (234,700)	\$ -	\$ -	\$ -	\$ (234,700)	All IDOC	Varies	6 Furlough Days; The implementation of six furlough days within the Idaho Department of Correction (IDOC) administration will have significant ripple effects across multiple operational areas. Reduced staffing time will impact employee wellness by increasing stress and workload during non-furlough periods, while also creating delays in processing critical tasks such as paying invoices, addressing maintenance concerns, ordering and distributing supplies such as cleaning products to prisons, completing inmate meal planning and ordering, and fulfilling public records requests. These disruptions not only hinder efficiency but could put IDOC out of compliance with public records laws and at-risk for 8th Amendment claims.
230	CCAC		10000	-	\$ (523,600)	\$ -	\$ -	\$ -	\$ (523,600)	All IDOC	Varies	6 Furlough Days for staff including 1,238 P.O.S.T Certified correction staff; Furloughing all prisons staff will require prisons to run on a modified-secure status, which has significant safety and fiscal impacts for the State. Modified-secure status means that most inmates are locked in their cells or sleeping barracks without access to statutorily required rehabilitative programming. Lack of program access causes delays in parole-readiness and extends incarceration, costing more long-term. Additionally, modified-secure status creates unnecessary frustration with the population and can lead to increased violence, assaults on staff, and lawsuits related to conditions of confinement (8th Amendment claims), which require inmates to have minimum levels of access to showers, outdoors, etc. Most prisons staff work 12-hour shifts; furloughs reduce staff pay, requiring more staff to secure second jobs, which further erodes safety in prisons due to exhaustion. Continued use of furloughs will result in increased attrition.
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January 29, 2026

Senator C. Scott Grow  
Co-Chair, Joint Finance–Appropriations Committee

Representative Josh Tanner  
Co-Chair, Joint Finance–Appropriations Committee

**Re: FY 2026 and FY 2027 General Fund Reduction Plan**

Dear Co–Chairs Grow and Tanner:

In response to your January 26, 2026 request for a reduction plan that includes additional general fund budget reductions for FY 2026 and FY 2027, the Court respectfully submits the following proposal. This plan satisfies the requirement for an additional 1% reversion of the FY 2026 general fund base appropriation as well as a 5% on–going base reduction for FY 2027.

In developing this proposal, the Court carefully evaluated the potential impact of these reductions on court services and related programs and sought to minimize adverse effects. The proposed reductions are achieved primarily by reallocating certain expenditures currently funded by general fund appropriations to the Court’s dedicated funds, thereby avoiding reductions to services in the current year. Implementation of this plan is dependent upon approval of increased spending authority in FY 2027 for the following dedicated funds:

- **Drug Court, Mental Health Court, Family Court Services Fund** – additional spending authority of \$700,000.
- **Substance Abuse Treatment Fund** – additional spending authority of \$400,000.
- **Court Technology Fund** – additional spending authority of \$2,000,000.

Should the necessary spending authority increases not be approved, the Court would be required to implement direct reductions to essential court services and systems. These actions would include cuts to treatment courts, family court services, and child protection programs, as well as the elimination of certain court technology systems that support the statewide network. Decreased funding for treatment services would limit the number of persons that could be admitted to our treatment courts, removing that sentencing option for high–risk, high–need individuals. Reductions in family court services would result in delayed case processing and reduced access to critical support services for families and children. Reduced investment in statewide network security would increase the risk of system vulnerabilities, service disruptions, and potential data breaches, compromising the integrity and availability of court operations statewide.

The 5% base reduction would affect the Court’s passthrough funding allocated to the Idaho Judicial Council and the Guardian ad Litem (CASA) programs.

**Current Status**

The Court’s FY 2026 general fund base appropriation totals \$77,824,200. To meet the requested 5% reduction, a base reduction of \$3,890,600 is required. The following summarizes reversions made to date.

- **3% general fund reversion for FY 2026:** To date, the Court has reverted \$2,439,300 for FY 2026. This includes a one-time 3% general fund base reversion totaling \$2,344,100 and an additional \$105,200 resulting from a variable benefit calculation error in Luma.
- **Additional 1% reduction for FY 2026:** The Court proposes to revert an additional \$673,100 for a total reversion of \$3,112,400 in FY 2026. This will be achieved through realized salary savings in the general fund.

**Ongoing Plan to Achieve 5% Base Reduction in FY 2027**

To address the additional 1% requested and achieve a cumulative 5% reduction in the Court’s FY 2026 general fund base appropriation on an ongoing basis beginning in FY 2027, the Court proposes the following actions:

○ Reallocate treatment services to dedicated court fund	\$ 1,048,000
○ Reallocate software costs to dedicated court fund	\$ 1,980,000
○ Permanent reversion to correct variable benefits	\$ 105,200
○ Permanent reversion of personnel cost savings	\$ 49,200
○ Reduce judicial and administrative operational expenses	\$ 555,200
○ 5% reduction in passthrough funding:	
Guardian ad Litem (CASA) Programs	\$ 144,800
Idaho Judicial Council	<u>\$ 8,200</u>
	<u>\$ 3,890,600</u>

Should additional information or clarification be required, the Court would be please to provide it.

Sincerely,



Sara B. Omundson

Administrative Director of the Courts

**Idaho Judicial Branch**  
**FY2027 5% General Fund Base Reduction Plan**

	<b>General Fund Reduction</b>	<b>Reallocated To</b>		
		<b>Drug Court, Mental Health Court, Family Court Services Fund</b>	<b>Substance Abuse Treatment Fund</b>	<b>Court Technology Fund</b>
Reallocation of treatment services to dedicated court funds	\$ 1,048,000	\$ 628,800	\$ 419,200	\$ -
Reallocation of technology software to dedicated court fund	1,980,000	-	-	1,980,000
Permanent reversion to correct variable benefits	105,200	-	-	-
Permanent reversion of personnel cost savings	49,200	-	-	-
Reduce judicial and administrative operational expenses	555,200	-	-	-
5% reduction in passthrough funding:				
Guardian ad Litem (CASA) programs	144,800	-	-	-
Idaho Judicial Council	8,200	-	-	-
	<b>\$ 3,890,600</b>	<b>\$ 628,800</b>	<b>\$ 419,200</b>	<b>\$ 1,980,000</b>



# Idaho Department of Juvenile Corrections

BRAD LITTLE  
Governor

ASHLEY DOWELL  
Director

January 30, 2026

To: Noah Peterson and Keith Bybee, Legislative Services Budget and Policy Division

CC: Joint Finance and Appropriations Committee Appropriations Committee  
Members, House and Senate Leadership

**Subject: Budget Reduction Plans for Additional 1% and 2% Reductions – FY 2026 & FY 2027**

Dear Mr. Peterson and Mr. Bybee,

## 1. Purpose and Background

The Idaho Department of Juvenile Corrections (IDJC) submits the following in response to the 1% and 2% additional budget reduction plans for FY 2026 and FY 2027, as requested by the Joint Finance Appropriations Committee (JFAC) on January 26<sup>th</sup>, 2026. These potential reductions would be in addition to the 3% holdback requirements already reflected in FY 2026 and the department's FY 2027 budget request.

The accompanying Excel workbook provides the required detail by program, appropriation unit, and expenditure category. This memo summarizes projected impacts on programs, staffing, essential services, and identified efficiencies.

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## 2. IDJC Summary of Required Totals

The reduction plans for IDJC total the following amounts:

Reduction Scenario	FY 2026	FY 2027
1%	\$517,700	\$517,700
2%	\$1,035,400	\$1,035,400

### 3. IDJC Workforce Impacts

#### 3.1 Workforce Impact Under the 1% Plans

The 1% plans for FY26 and FY27 do not include any removal of funded FTP positions. Reductions are focused on operational contracts, community diversion and prevention support, and training, not staffing reductions.

No reductions in force (RIF) or furloughs are anticipated under the 1% plans.

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#### 3.2 Workforce Impact Under the 2% Plans

The 2% plans include FTP reductions associated with facility staffing and coverage:

These reductions occur in the context of IDJC's ongoing staffing challenges. A recently drafted independent staffing analysis concluded the department is already understaffed and requires 12 additional FTE to meet ratios for compliance and ensure adequate relief coverage in our 24/7 facilities based on the current IDJC population. As IDJC's population increases, additional FTEs are required to maintain Prison Rape Elimination Act (PREA) compliance and provide safe, effective supervision. For example, if all 238 beds were occupied, an 8-hour shift model would require 99 more FTEs than are currently funded.

IDJC has been working to anticipate these needs by reclassifying internal vacancies to direct care positions. Currently IDJC is holding these FTEs vacant to fill critical gaps in coverage, pending the outcome of the staffing analysis. This strategy was designed to immediately address concerns outlined in the staffing analysis during a difficult budget climate, but it will only be creating half of the positions needed per the staffing analysis. However, a 2% additional budget reduction scenario would prevent filling those positions and would further impact IDJC's ability to operate safely given the recent staffing analysis report.

RIF/Furlough Implications:

- Since these positions are currently vacant, RIF/Furlough would not be necessary for IDJC to complete the 2% cut if required. The primary concern is further operational implications to safety and compliance in juvenile correctional facilities.

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#### 4. Program Impacts – 1% Reduction Scenarios

##### A. Youth Assessment Centers (COPS – JCBA)

- FY 2026 & FY 2027: -\$350,000 each year
- Program added: In FY 2025, Base appropriation transferred to COPS (JCBA) from Institutions (JCCA) ongoing.

##### Impact:

A \$350,000 reduction creates risk to the Idaho’s network of Youth Assessment Centers, which provide crisis screening, needs assessments, referrals, and short-term stabilization for at-risk youth before they escalate into the juvenile justice system. Impacts will be especially pronounced in rural communities, where early-intervention capacity is already limited. This reduction will shift greater burdens to schools, law enforcement, behavioral health systems, and courts. Assessment Centers provide a critical service in the prevention and diversion efforts within the juvenile justice system.

Essential service impact: Assessment centers serve as Idaho’s front line for early intervention and resources for juveniles and their families, and this reduction eliminates ongoing development and improvement within these programs.

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##### B. SUD/CBAS Mentoring Services

- FY 2026: -\$92,200
- FY 2027: -\$76,200

##### Impact:

Funding reductions will decrease access to mentoring, one of Idaho’s most effective tools for prevention, relationship building, and early intervention. Mentors serve as trusted adults who help youth navigate school disengagement, early substance use, trauma, and peer risk. Many youth may not have safe and stable relationships with the adults in their lives, and mentoring fills a crucial gap in relationships that often are the catalyst for developing resiliency in youth. Fewer mentors increase wait times, reduce availability in rural counties, and raise the likelihood of deeper juvenile justice involvement.

Essential service impact: Mentoring is a critical prevention support for juveniles in the community and could impact success in diversion programs and lead to increased recidivism and thus increases to the population in county and state juvenile detention and correctional facilities.

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#### C. JCCN Laundry Contract Reduction

- FY 2026 & FY 2027: -\$40,000 each year

##### Efficiency:

This reduction aligns with JCCN's recent transition to in-house laundry operations, following a remodel and change in operational practice.

##### Risk:

In-house laundry operations depend on adequate staffing; any staffing shortages may eliminate the ability to ensure laundry services are completed in a timely manner, which is critical to safe and hygienic practices within juvenile correctional facilities. In addition, it would be difficult to re-engage a contracted provider, creating immediate gaps in essential sanitation services and elevating health/safety risks.

Essential service impact: Laundry services are essential. Without adequate internal staffing resources, lack of funding would create a barrier to meeting laundry needs externally via contract.

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#### D. School Resource Officer (SRO) – Statewide Coordination

- FY 2026: -\$14,000
- FY 2027: -\$30,000

##### Impact:

Funds support statewide training and coordination for SROs, a function established in 2022 in response to statewide safety needs. Statewide, there are about 191 SROs working in 77 school districts. Two-thirds (67%) of Idaho's public school districts had an SRO program in 2023, accounting for about 92% of Idaho's public school enrollment that year. Reductions would erode training consistency, guidance, and access to best practices, particularly affecting rural

districts. Statewide SRO Coordination is a partnership between IDJC and the State Department of Education in order to support safety for kids and teachers in Idaho Schools. According to a 2025 report on SROs in Idaho,

Essential service impact: Impacts statewide school safety net infrastructure for prevention. Elimination of this resource could impact success in diversion programs or preventing recidivism. In the 2025 study, more than 90% of school administrators and school board members agreed that SROs improve school safety, prevent and/or reduce crime on campus, and build and/or improve relationships between law enforcement and youth.

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#### E. Detention Clinician Training

- FY 2026 & FY 2027: -\$13,000 each year

##### Impact:

Loss of this dedicated funding limits specialized training for mental health clinicians in county juvenile detention centers who manage some of the most complex youth mental health needs in detention. Inequality in training across jurisdictions could create inconsistency in suicide prevention, trauma response, and crisis intervention practices. Further, county partners often rely on IDJC funding for clinical positions and expertise in their facilities.

Essential service impact: This reduction would eliminate funding for detention clinician training, which improves clinical expertise across jurisdictions to ensure safe and well informed clinical care that adheres to best practices. In addition, clinicians are required to receive a certain amount of continuing education per year to maintain their license, further shifting the cost burden to the counties or individual mental health practitioners.

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#### F. Omnigo Contractor Training

- FY 2026 & FY 2027: -\$8,500 each year

##### Impact/Efficiency:

Omnigo is a system implemented by IDJC in 2023 to ensure welfare checks on juveniles in their rooms are completed routinely and in a timely manner. Welfare checks are a critical piece of an effective and safe suicide prevention program

within correctional facilities. This reduction removes training for staff on the Omnigo system in FY26 and FY27. Given the amount of staff turnover within correctional facilities, vendor training is used to ensure new staff have appropriate training on the existing system and provides advanced reporting and analytics capabilities.

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## 5. Program Impacts – 2% Reduction Scenarios

The 2% plans incorporate all items from the 1% scenarios, plus the following:

### A. Institutions Staffing/Relief Coverage (6 FTP Reductions)

As detailed in Section 3.2 above, the 2% plan includes reductions of 6 FTP, directly affecting staffing ratios for PREA compliance, relief coverage, and the potential for additional facility safety risks for both juveniles and staff.

### B. COPS Trustee & Benefit Funds

- FY 2026 & FY 2027: -\$77,500 each year

Impact:

These funds are the state's emergency safety net for counties that lack infrastructure to support youth with emerging behavioral health, substance use, or family crises. Eliminating funding capacity reduces crisis response, increases statewide inequities, and heightens risk of detention placement. Prevention supports for juveniles in the community impact success in diversion programs, and the prevention of recidivism.

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## 6. Efficiencies Identified

IDJC identified the following efficiencies:

1. Elimination of Omnigo routine training, based on system maturity.
2. Reduction of the laundry contract budget, following transition to in-house

Additional internal efficiencies are limited depending on staff vacancy rates, unanticipated medical absences and leaves or operational needs driven by safety, health and wellness needs of juveniles in our custody.

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## 7. Conclusion

These reduction scenarios create significant operational challenges. IDJC remains committed to safety, statutory compliance, and supporting youth and families despite constrained resources. The 1% plans do not include FTP losses but will weaken community-based prevention and intervention services. The 2% plans, would directly impact essential staffing in corrections centers and further erode statewide prevention and diversion efforts. These cuts increase the risk to safety of juveniles and staff and decrease recidivism reduction and prevention efforts statewide.

IDJC will continue to support JFAC and the Governor's Office as budget decisions progress, but these reductions will have real consequences for public safety and Idaho's most at-risk youth.

Sincerely,

Ashley Dowell, Director  
Idaho Department of Juvenile Corrections

CC: Adam Jarvis, Chris Davis & Lori Wolff, DFM Administrator

Enclosures: 285\_IDJC\_LSO Request for Additional Budget Reduction.xlsx

Total: **\$ (517,700)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
285	JCBA		10000					\$ (350,000)	\$ (350,000)	COPS-Assessment Centers	FY 2025 Base appropriation program transfer from JCCA to JCBA for Assessment Centers	Assessment centers serve as Idaho's front line for juvenile early intervention and prevention, and this eliminates ongoing development and improvement of these programs and resources.
285	JCBA		10000					\$ (92,200)	\$ (92,200)	COPS -Reduce SUD Mentoring Services	JCBA Base Appropriation	Mentoring is a critical support for juveniles in the community and could impact success in prevention efforts, diversion programs or preventing recidivism.
285	JCCA		10000	-		\$ (40,000)		\$ -	\$ (40,000)	JCCN -Cancellation of Laundry Contract	JCCA Base Appropriation	Laundry services are essential. Without adequate internal staffing resources, lack of funding would create a barrier to meeting laundry needs externally via contract.
285	JCBA		10000			\$ (14,000)			\$ (14,000)	COPS -Cancellation of SRO Contract	JCBA Base Appropriation	Impacts statewide school safety infrastructure for prevention. Elimination of this resource could impact success in prevention, diversion and reducing recidivism.
285	JCBA		10000					\$ (13,000)	\$ (13,000)	COPS-Eliminate Detention Clinician Training	JCBA Base Appropriation	Training improves equity and expertise across jurisdictions to ensure safe and well informed clinical care that adheres to best practices.
285	JCCA		10000			\$ (8,500)			\$ (8,500)	Institutions - Cancelltion of Omnigo Contractor Training	JCCA Base Appropriation	Loss of training may impact consistency and safety for juvenile welfare checks that are critical for suicide prevention.

Total: **\$ (1,035,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
285	JCAA		10000	(4.00)	\$ (298,900)				\$ (298,900)	Institutions - Staff Ratio/coverage	JCAA Base Appropriation	Reversion of FTE would further impact the ability to maintain PREA compliance and provide safe, effective supervision of youth and fill critical gaps in coverage to operate safely.
285	JCCA		10000	(2.00)	\$ (141,300)				\$ (141,300)	Institutions - Staff Ratio/coverage	JCCA Base Appropriation	Reversion of FTE would further impact the ability to maintain PREA compliance and provide safe, effective supervision of youth and fill critical gaps in coverage to operate safely.
285	JCBA		10000					\$ (77,500)	\$ (77,500)	COPS Trustee and Benefit Funds	JCBA Base Appropriation	Emergency funding for counties to support youth in crisis, impacts prevention and diversion efforts.
285	JCBA		10000			\$ (350,000)			\$ (350,000)	COPS-Assessment Centers	FY 2025 Base appropriation program transfer from JCCA to JCBA for Assessment Centers	Assessment centers serve as Idaho's front line for juvenile early intervention and prevention, and this eliminates ongoing development and improvement of these programs and resources.
285	JCBA		10000			\$ (92,200)			\$ (92,200)	COPS -Reduce SUD Mentoring Services	JCBA Base Appropriation	Mentoring is a critical support for juveniles in the community and could impact success in prevention efforts, diversion programs or preventing recidivism.
285	JCCA		10000	-		\$ (40,000)	\$ -	\$ -	\$ (40,000)	JCCN -Cancellation of Laundry Contract	JCCA Base Appropriation	Laundry services are essential. Without adequate internal staffing resources, lack of funding would create a barrier to meeting laundry needs externally via contract.
285	JCBA		10000			\$ (30,000)			\$ (30,000)	COPS -Cancellation of SRO Contract	JCBA Base Appropriation	Impacts statewide school safety infrastructure for prevention. Elimination of this resource could impact success in prevention, diversion and reducing recidivism.
285	JCBA		10000			\$ (13,000)			\$ (13,000)	COPS-Eliminate Detention Clinician Tra	JCBA Base Appropriation	Training improves equity and expertise across jurisdictions to ensure safe and well informed clinical care that adheres to best practices.
285	JCCA		10000			\$ (8,500)			\$ (8,500)	Institutions - Cancelltion of Omnigo Cor	JCCA Base Appropriation	Loss of training may impact consistency and safety for juvenile welfare checks that are critical for suicide prevention.

Total: **\$ (517,700)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
285	JCBA		10000					\$ (350,000)	\$ (350,000)	COPS-Assessment Centers	FY 2025 Base appropriation pro	Assessment centers serve as Idaho's front line for juvenile early intervention and prevention, and this eliminates ongoing development and improvement of these programs and resources.
285	JCBA		10000					\$ (76,200)	\$ (76,200)	COPS -Reduce SUD Mentoring Services	JCBA Base Appropriation	Mentoring is a critical support for juveniles in the community and could impact success in prevention efforts, diversion programs or preventing recidivism.
285	JCCA		10000	-		\$ (40,000)	\$ -	\$ -	\$ (40,000)	JCCN -Cancellation of Laundry Contract	JCCA Base Appropriation	Laundry services are essential. Without adequate internal staffing resources, lack of funding would create a barrier to meeting laundry needs externally via contract.
285	JCBA		10000			\$ (30,000)			\$ (30,000)	COPS -Cancellation of SRO Contract	JCBA Base Appropriation	Impacts statewide school safety infrastructure for prevention. Elimination of this resource could impact success in prevention, diversion and reducing recidivism.
285	JCBA		10000					\$ (13,000)	\$ (13,000)	COPS-Eliminate Detention Clinician Training	JCBA Base Appropriation	Training improves equity and expertise across jurisdictions to ensure safe and well informed clinical care that adheres to best practices.
285	JCCA		10000			\$ (8,500)			\$ (8,500)	Institutions - Cancelltion of Omnigo Contractor Tra	JCCA Base Appropriation	Loss of training may impact consistency and safety for juvenile welfare checks that are critical for suicide prevention.

Total: **\$ (1,035,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
285	JCCA		10000	(6.00)	\$ (440,200)			\$	(440,200)	Institutions - Staff Ratio/coverage	JCCA Base Appropriation	Reversion of FTE would further impact the ability to maintain PREA compliance and provide safe, effective supervision of youth and fill critical gaps in coverage to operate safely.
285	JCBA		10000					\$ (77,500)	(77,500)	COPS Trustee and Benefits	JCBA Base Appropriation	Emergency funding for counties to support youth in crisis, impacts prevention and diversion efforts.
285	JCBA		10000					\$ (350,000)	(350,000)	COPS-Assessment Centers	FY 2025 Base appropriation program transfer from JCCA to JCBA for Assessment Centers	Assessment centers serve as Idaho's front line for juvenile early intervention and prevention, and this eliminates ongoing development and improvement of these programs and resources.
285	JCBA		10000					\$ (76,200)	(76,200)	COPS -Reduce SUD Mentoring Servic	JCBA Base Appropriation	Mentoring is a critical support for juveniles in the community and could impact success in prevention efforts, diversion programs or preventing recidivism.
285	JCCA		10000	-		\$ (40,000)	\$ -	\$ -	(40,000)	JCCN -Cancellation of Laundry Contr	JCCA Base Appropriation	Laundry services are essential. Without adequate internal staffing resources, lack of funding would create a barrier to meeting laundry needs externally via contract.
285	JCBA		10000			\$ (30,000)		\$	(30,000)	COPS -Cancellation of SRO Contract	JCBA Base Appropriation	Impacts statewide school safety infrastructure for prevention. Elimination of this resource could impact success in prevention, diversion and reducing recidivism.
285	JCBA		10000					\$ (13,000)	(13,000)	COPS-Eliminate Detention Clinician`	JCBA Base Appropriation	Training improves equity and expertise across jurisdictions to ensure safe and well informed clinical care that adheres to best practices.
285	JCCA		10000			\$ (8,500)		\$	(8,500)	Institutions - Cancelltion of Omnigo C	JCCA Base Appropriation	Loss of training may impact consistency and safety for juvenile welfare checks that are critical for suicide prevention.

## Impacts of 1% and 2% Budget Reductions to Idaho State Police

At the Legislature's direction, the Idaho State Police (ISP) evaluated the operational impacts of potential 1% and 2% General Fund reductions. Administrative and support functions have already been reduced; any further cuts would directly affect operational capacity and public safety.

### Fiscal Year 2026 Impacts

- **1% Reduction**
  - Cancel existing purchase orders
  - Eliminate **6 Capitol Protective Services (CPS) positions**
  - Furlough all commissioned personnel approximately **50 hours each**
- **2% Reduction**
  - Increase furloughs to approximately **95 hours per trooper**
  - Eliminate **11 CPS positions**

These actions would significantly reduce trooper availability for patrol and investigations and increase response times to crashes, crimes, and emergencies statewide.

### Fiscal Year 2027 and Ongoing Impacts

Under both reduction scenarios:

- Elimination of ISP management of the **Federal 1033 (LESO) equipment program**
- Removal of a **forensic laboratory management position**
- Further reductions to Capitol Protective Services staffing
- Reduce police presence during protests and legislative sessions

Under the **2% reduction**, ISP would also be required to **eliminate its SWAT team**, significantly reducing the state's capacity to respond to high-risk and active-threat incidents.

### Public Safety Consequences

- **Reduced Patrol Capacity:** Furloughs of 50–95 hours per commissioned employee would result in an estimated **16,000–30,000 fewer hours of police activity in FY 2026.**

- **Capitol and State Facility Security:** CPS was expanded in FY2023 to provide dedicated security for the Legislature, Capitol Mall, and Chinden Campus. Eliminating these positions would:
  - Further reduce police presence during protests and legislative sessions
  - Eliminate on-site law enforcement coverage at the Chinden Campus
  - Require pulling troopers off the road to staff high-profile events
- **Forensic Services Delays:** Eliminating the forensic laboratory management position would slow evidence processing, increase backlog risks, and delay investigations, prosecutions, and court proceedings statewide.
- **Reduced Support to Local Agencies:** ISP's ability to assist local law enforcement—both daily and during major incidents—would be significantly limited.
- **Reducing SWAT:** ISP would have less availability to help other police agencies with tactical operations requests.

#### **Additional Program Impacts**

- **1033 Program:** ISP currently administers the Federal LESO/1033 Excess Military Equipment Program for Idaho using state funds. While not required to be state-managed, eliminating ISP's role would require a local agency to assume responsibility or risk reduced participation statewide.

\$ 749,800

\$ (817,600)

\$ (67,800)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
330	LEBB	OT	10000	-			\$ (4,500)	\$ (4,500)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBC	OT	10000	-		\$ (700)	\$ (700)	\$ (700)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBC	OT	10000				\$ (1,500)	\$ (1,500)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBL	OT	10000				\$ (4,700)	\$ (4,700)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBK	OT	10000				\$ (36,000)	\$ (36,000)	Revert Open PO		These are open PO's that can be reverted.
330	LEBA	OT	10000				\$ (2,200)	\$ (2,200)	Revert Open PO		These are open PO's that can be reverted.
330	LEBM		10000	(6.00)	\$ (100,300)		\$ (100,300)	\$ (100,300)	CPS - reduce 6 positions	FY 2023	If 1% is ongoing, this would reduced the CPS program by 6 positions leaving only 11 staff for Executive Protection and Capitol mall security.
330	LEBA	OT	10000		\$ (14,700)		\$ (14,700)	\$ (14,700)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 50 hours (10 hours per pay period for the last 5 pay periods of the fiscal year
330	LEBC	OT	10000		\$ (492,400)		\$ (492,400)	\$ (492,400)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 50 hours (10 hours per pay period for the last 5 pay periods of the fiscal year
331	LEBM	OT	10000		\$ (25,400)		\$ (25,400)	\$ (25,400)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 50 hours (10 hours per pay period for the last 5 pay periods of the fiscal year
332	LEBB	OT	10000		\$ (135,200)		\$ (135,200)	\$ (135,200)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 50 hours (10 hours per pay period for the last 5 pay periods of the fiscal year

\$ 1,471,200

\$ (1,498,400)

\$ (27,200)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
330	LEBB	OT	10000	-			\$ (4,500)	\$ (4,500)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBC	OT	10000	-		\$ (700)	\$ (700)	\$ (700)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBC	OT	10000				\$ (1,500)	\$ (1,500)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBL	OT	10000				\$ (4,700)	\$ (4,700)	Revert Remainder ECF		This has already been reverted, invoice came in less than PO and approp was reverted
330	LEBK	OT	10000				\$ (36,000)	\$ (36,000)	Revert Open PO		These are open PO's that can be reverted.
330	LEBA	OT	10000				\$ (2,200)	\$ (2,200)	Revert Open PO		These are open PO's that can be reverted.
330	LEBM		10000	(11.00)	\$ (180,100)		\$ (180,100)	\$ (180,100)	CPS - reduce 6 positions	FY2023	If 2% is ongoing, this would reduced the CPS program by 11 positions leaving only 5 staff for Executive Protection and 1 for Capitol mall security.
330	LEBA	OT	10000		\$ (27,900)		\$ (27,900)	\$ (27,900)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 95 hours (19 hours per pay period for the last 5 pay periods of the year
330	LEBC	OT	10000		\$ (935,600)		\$ (935,600)	\$ (935,600)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 95 hours (19 hours per pay period for the last 5 pay periods of the year
331	LEBM	OT	10000		\$ (48,400)		\$ (48,400)	\$ (48,400)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 95 hours (19 hours per pay period for the last 5 pay periods of the year
332	LEBB	OT	10000		\$ (256,800)		\$ (256,800)	\$ (256,800)	Furlough of Commission Staff		All Commissioned Staff would be furloughed 95 hours (19 hours per pay period for the last 5 pay periods of the year

\$ 749,800

Total: \$ (818,400)

\$ (68,600)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
330	LEBC		10000			\$ (30,000)			\$ (30,000)	1033		ISP would not longer administer this program - see attached letter
330	LEBL		10000		\$ (129,300)				\$ (129,300)	Deputy Lab Manager	Position was approp in FY 2026	Would reduce Forensic Services by 1.00 position - see attached letter
300	LEBM		10000	(6.00)	\$ (659,100)				\$ (659,100)	CPS	FY 2023 a new unit was added	Would reduce the CPS program by 6.00 FTP Leaving 11.00 FTP for EP and CPS - see attached letter

1,471,200

**\$ (1,480,100)**

(8,900)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
330	LEBC		10000			\$ (30,000)		\$ (30,000)	1033		ISP would not longer administer this program - see attached letter
330	LEBL		10000		\$ (129,300)			\$ (129,300)	Lab Manager		Would reduce Forensic Services by 1.00 position - See attached letter
330	LEBM		10000	(11.00)	\$ (1,200,800)			\$ (1,200,800)	CPS	FY 2023 a new unit was added	Would reduce the CPS program by 11.00 FTP Leaving 6.00 FTP for EP and CPS - see attached letter.
330	LEBC					\$ (120,000)		\$ (120,000)	SWAT		ISP would no longer have a swat team - see attached letter.



## MEMORANDUM

TO: Keith Bybee, Budget & Policy Analysis Division Manager, LSO  
FROM: Jess Byrne, Director, Idaho DEQ *JB*  
DATE: 01/30/2026  
SUBJECT: Additional General Fund Appropriation Reduction Impacts

<b>Original 3% Reduction (\$880,800)</b>	<b><u>Amount</u></b>
• Eliminated 6 Vacant Positions (for FY26 and ongoing):	\$571,000
1) Air Quality Dispersion Modeling Analyst	
2) Leaking Underground Storage Tank Compliance Officer	
3) Financial Technician	
4) GIS Analyst	
5) Graphic Design Specialist	
6) Senior Water Quality Analyst	
• CEC Reversion	\$59,500
• <u>Reduced Water Quality Monitoring Statewide (for FY26)</u>	<u>\$250,300</u>
Total	\$880,800

### **Additional 1% Reduction Scenario (\$293,600) for total reduction of \$1,174,400**

• Reduce Water Quality Funding Statewide (T/B)	\$200,000
• Reduce Administration & Support Funding (Operating)	\$22,700
• <u>Eliminate Vacant Financial Technician Position</u>	<u>\$70,900</u>
Total	\$293,600

Combined Grand Total (4%)..... \$1,174,400

### **Option 1: Additional 2% Reduction Scenario (587,200) for total reduction of \$1,468,000**

• Reduce Water Quality Funding Statewide (T/B)	\$200,000
• Reduce Administration and Support Operating Funding	\$22,700
• Eliminate Vacant Financial Technician Position	\$70,900
• Eliminate Vacant Toxicologist Position	\$59,900
• Eliminate funding for the North Idaho Lakes Commission	\$133,700
• <u>Eliminate funding for the Bear Lake Regional Commission</u>	<u>\$100,000</u>
Total	\$587,200

**Option 2: Additional 2% Reduction Scenario (587,200) for total reduction of \$1,468,000**

• Reduce Water Quality Funding Statewide (T/B)	\$200,000
• Reduce Administration and Support Operating Funding	\$26,400
• Eliminate Vacant Financial Technician Position	\$70,900
• Eliminate Vacant Toxicologist Position	\$59,900
• <u>Two-year (FY27 &amp; FY28) Reduced BURP Water Quality Monitoring</u>	<u>\$230,000</u>
Total	\$587,200

Combined Grand Total (5%).....\$1,468,000

***Workforce Impacts***

These reductions would not require reductions in force or furloughs in FY 2026 or FY 2027. However, a 1% reduction would result in the elimination of 1 FTP that is currently vacant and a 2% reduction would result in the elimination of 2 FTPs that are currently vacant. Option 1 for our 2% reduction would also impact positions associated with the Bear Lake Regional Commission and the North Idaho Lakes Commission. Option 2 for our 2% reduction would mean we hire half the number of seasonal teams each year to do water quality assessments instead of the usual 6 teams to cover our 6 regional offices.

***Program History***

All of the programs impacted by a 1% or 2% reduction have been carried out by the agency since before we became a department in 2000 (while a division of Health & Welfare). While monitoring, assessment, and Total Maximum Daily Load (TMDL) development are federally mandated functions, recent funding additions were made to address workload and compliance risks. Harmful Algal Bloom (HAB) response is a discretionary activity that evolved over time in response to increasing public health concerns.

- HAB response – Not separately appropriated; developed over time due to increased public complaints and health concerns
- Monitoring and Assessment Program – Additional funding added in SFY 2020 to address compliance gaps
- TMDL Program – Additional funding added in SFY 2023 due to backlogs and federal risk

Similarly, up until recently, DEQ has had a toxicologist position for decades. Filling the position was put on hold because of funding concerns, however, DEQ was planning to refill it now that the federally funded portion of the position has stabilized.

The 2 Commissions we would eliminate funding for have been funded for roughly 20 years. There was a break in funding during the great recession.

The Beneficial Use Reconnaissance Program (BURP) was established in the early 1990’s and has been duplicated across the country as a cost-effective means of meeting Clean Water Act responsibilities.

## **Essential Service Impacts**

### **\$200,000 reduction in Trustee/Benefit (T/B) expenditures for the Water Quality**

**appropriation unit (DQAD)** The reduction to the Water Quality appropriation unit (DQAD) would reduce statewide water quality monitoring, response capacity, and data collection that support Clean Water Act programs. The agency is legally required to conduct monitoring, assessments, and TMDL development, and reduced monitoring strains the state's ability to meet these obligations and maintain critical monitoring equipment.

For SFY 2026, this represents a \$450,300 reduction, or approximately a 32% decrease, in funding for water quality monitoring and related activities. These reductions affect field monitoring, laboratory analysis, equipment maintenance, data management, and interagency response, in a program area where funding needs already exceed available appropriation.

The most immediate impact is the elimination of remaining funding for Harmful Algal Bloom (HAB) monitoring and response in SFY 2026, eliminating the agency's ability to confirm toxicity, assess risk, and support timely public health decisions. Approximately 50% of planned sampling on Lake Coeur d'Alene would also be eliminated, along with reductions to statewide monitoring locations and sampling frequency.

Reduced monitoring and assessment slow TMDL development, extend cleanup timelines, and increase compliance risk. These reductions also directly affect the agency's ability to issue new or renewed discharge permits, as limited data and delayed cleanup plans increase permitting timelines, reliance on conservative assumptions, and regulatory uncertainty for permit holders.

### **\$22,700 reduction in operating expenditures for the Administration and Support**

**appropriation unit (DQAB)** The reduction to DQAB would result in less funding to support critical software licenses, computer inventory, vehicle maintenance and repairs, training, and other expenses supporting overall agency operations. It would also impact the ability for leadership located within Boise to travel to regional offices, and to meet with stakeholders.

**\$70,900 elimination of vacant financial technician position** DEQ has been rebuilding its fiscal office for close to a year. Approximately 15 of 20 positions have turned over during that time. DEQ has reorganized its fiscal office and has been very intentional in evaluating and filling each position. Eliminating this position will strain a group that is already struggling to keep up with the thousands of transactions that are processed each year.

**\$59,900 elimination of toxicologist position.** DEQ's toxicologist position is funded with a combination of general funds, federal funds, and cost recovery. Recent federal funding concerns caused DEQ to hold the position vacant. Now that the federal budget has been set, DEQ planned to move forward with filling the vacancy. This position is critical for our ability to defend decisions we make, for example it has been vital in developing our human health criteria for toxics in our water quality program, and in defending the air quality permit that we issued for a large mining project. Not filling this vacancy will significantly compromise our ability to defend decisions DEQ makes that are beneficial to the state of Idaho.

**Eliminate Funding for the North Idaho "Lakes Commission"** The Lakes Commission is an advisory board to the State of Idaho and per statute we are charged with studying, investigating, and selecting ways and means of controlling the water quality and water quantity

as they relate to waters of Lake Pend Oreille, Pend Oreille River, Priest Lake and Priest River for the community's interests and the interests of the State of Idaho and for the survival of the native species fish contiguous to the Pend Oreille/Priest River.

The Lakes Commission is not a water resource management or regulatory agency. However, eliminating DEQ's funding would eliminate the executive director's position, and the commission would no longer have any staff to support it in carrying out the purposes it was created for.

**Eliminate Funding for the Bear Lake Regional Commission** The Bear Lake Regional Commission deals with managing growth on the unique regional resource of Bear Lake. The Commission has five major goals:

- To acknowledge the Bear Lake Valley as a resource of regional significance and provide for its continued utilization and preservation.
- To provide for the maximum public benefit of valley resources at a minimum public cost along with preservation of natural resources.
- To coordinate public and private interests, including the local, regional, state and federal governments in the long-term management of the Bear Lake Valley environment.
- To maintain technical staff competent to advise or assist local government.
- To develop and assist in the implementation of a total planning program based on the natural environmental constraints of the air, land, and water.

The Regional Commission is not a water resource management or regulatory agency. However, eliminating DEQ's funding would impact the Commission's budget and make it more difficult to carry out the purposes it was created for.

**Two-year Reduced "BURP" Water Quality Monitoring and Assessment** DEQ's program, circa 1994, utilizes seasonal staff to collect statewide data on the health of Idaho's waterways. This data is foundational to state Clean Water Act primacy. For FY27 and FY28, DEQ could reduce the number of crews by half. This would result in a one-year gap in data in each of our regional offices over that 2-year period, but it could be managed. DEQ would need to request additional general funds in FY29 to return to 6 crews. Longer-term data gaps significantly undermine DEQ's ability to carry out responsibilities required by state law and the Clean Water Act.

### ***Efficiencies***

The agency has already implemented significant efficiencies over the past 25 years. Including re-purposing positions for the highest priority work, cross-training staff, prioritizing high-risk waters, utilizing contractors, using lean principles to streamline processes, using technology to reduce our administrative assistant staffing by almost 50%, and integrating monitoring efforts across programs.

Over the past 25 years, the number of FTPs the department has been provided to carry out its core functions has decreased by 5%. The only way DEQ has been able to absorb this decrease has been through efficiencies. However, the department is at a point where additional resource reductions result in service reduction or elimination rather than operational efficiency. The department's ability to be nimble and responsive has already been significantly hindered by a lack of necessary resources.

## ***Overall Impact***

The agency has demonstrated a history of absorbing reductions while continuing to deliver essential services. However, these additional reductions will reduce flexibility, extend timelines, limit data certainty, and diminish the state's ability to carry out our mandated responsibilities including proactively protecting water quality and demonstrating effective implementation of delegated Clean Water Act programs.

# IDL FY 2026 Reduction Plan, add'l 1% reduction

Total: **\$ (131,800)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
320	LAAD	OT	10000	-	\$ (131,800)				\$ (131,800)	Fire	1972	<p>In the event of further reductions to our general fund appropriation, our wildfire suppression readiness could be significantly strained, particularly during a widespread, intense fire season across the West. While in light fire seasons, these impacts may be less visible, the risk to readiness and the potential need for greater future expenditures remain.</p> <p>Shifting Fire GF personnel to Fire Dedicated would, without an assessment increase via HB511, place additional impact on an already stressed fire dedicated fund. Seasonal firefighters are an essential part of the fire suppression effort as staff on fire engines and on fire crews. Those engines and crews are essential to providing effective initial attack on about 6.9 million acres of IDL protection and to meeting the Department's goal of suppressing 95% of fires at 10 acres or less. In the absence of an as-yet unidentified solution, fewer seasonal firefighters would be available to the IDL fire protective districts during the 2026 fire season and/or the duration of their seasonal employment would be reduced. To maintain the numbers of seasonal hires, the Department would have to utilize fire dedicated funds, potentially accelerating the decline of the fund balance in that account. Alternatively, the Department would look for opportunities to use federal funds, though that specific solution has not yet been identified and may not exist. Any alternative solution simply takes from one need to address another. Should fire initial attack effectiveness decrease due to reduced resource availability, the potential exists for larger and more expensive fires, which can quickly expend more from the general fund than the cost of appropriate staffing for effective initial attack.</p>

# IDL FY 2026 Reduction Plan, add'l 2% reduction

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
									<b>Total:</b> \$ (265,500)			
320	LAAD	OT	10000	-	\$ (150,000)				\$ (150,000)	Fire	1972	In the event of further reductions to our general fund appropriation, our wildfire suppression readiness could be significantly strained, particularly during a widespread, intense fire season across the West. While in light fire seasons, these impacts may be less visible, the risk to readiness and the potential need for greater future expenditures remain. Shifting Fire GF personnel to Fire Dedicated would, without an assessment increase via HB511, place additional impact on an already stressed fire dedicated fund. Seasonal firefighters are an essential part of the fire suppression effort as staff on fire engines and on fire crews. Those engines and crews are essential to providing effective initial attack on about 6.9 million acres of IDL protection and to meeting the Department's goal of suppressing 95% of fires at 10 acres or less. In the absence of an as-yet unidentified solution, fewer seasonal firefighters would be available to the IDL fire protective districts during the 2026 fire season and/or the duration of their seasonal employment would be reduced. To maintain the numbers of seasonal hires, the Department would have to utilize fire dedicated funds, potentially accelerating the decline of the fund balance in that account. Alternatively, the Department would look for opportunities to use federal funds, though that specific solution has not yet been identified and may not exist. Any alternative solution simply takes from one need to address another. Should fire initial attack effectiveness decrease due to reduced resource availability, the potential exists for larger and more expensive fires, which can quickly expend more from the general fund than the cost of appropriate staffing for effective initial attack.
320	LAAD	OT	10000	-	\$ (18,100)				\$ (18,100)	Fire	1972	No impact - 2nd round of interviews were conducted 1/22/2026. Delay in hiring FES Program Manager was part of our original 3% GF holdback plan for 8 pay periods. Anticipate the position will be filled in February 2026.
320	LAAD	OT	10000	-	\$ (12,300)				\$ (12,300)	Fire	1972	No impact - delay in hiring Fire Aviation Section Manager was part of our original 3% GF holdback plan for 7 pay periods. The position was filled on 12/1/2025 and we achieved salary savings for another 5 pay periods.

320 LAAB OT 10000 - \$ (59,600) \$ (25,500) \$ (85,100) Shared Stewardship 2018

A large majority of the general funds in the IDL budget is in the Fire (LAAD) and Forestry Assistance (LAAB) budget units, which include fire preparedness, suppression, and proactive forest management programs like Good Neighbor Authority and Shared Stewardship. As such, when holdbacks are requested, these budget units must be a significant contributor to the reduced spending. The Department is committed to implementation of executive order 2025-04, the Make Forests Healthy Again Act, which directs the Department to help expedite active forest management and mitigate the risk of catastrophic fires. The Act also directs the Department to expand Good Neighbor Authority and also to expand Shared Stewardship to increase the pace and scale of fuel reduction projects and active forest management. Simply put, the goal is more acres treated (fuel reduction and forest health projects and/or timber harvest) on state, private, and federal lands. The Department has established a target to double the output of timber volume from GNA projects on federal lands over five years as a means of implementing executive order 2025-04 and assisting the US Forest Service with meeting the objectives of Presidential Orders and related federal Department direction. Department staff are directly involved with the planning and implementation of the forest management project in both GNA and Shared Stewardship, from NEPA analysis through field work and contract administration to completion. As funds are shifted from other sources (federal grants and GNA project funds) to replace the lost general fund there will be impacts on project implementation. The Department will mitigate the impacts as much as possible, but in summary, a reduction in funding is likely to impact the amount of work completed towards the goals of the Make Forests Healthy Again Act.



State of Idaho

# Department of Parks and Recreation

BRAD LITTLE  
Governor

SUSAN E. BUXTON  
Director

## Idaho Park and Recreation Board

Chuck Roady - District 1 | Hugh Cooke - District 2 | Vacant - District 3 | Jim Keating - District 4 | Amy Manning - District 5 | Cortney Liddiard - District 6

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The Idaho Department of Parks and Recreation (IDPR)'s goal in addressing budget reductions is to continue to provide high value outdoor recreation experiences for Idahoans. Budget reductions will cut allocations to pay for utilities, cleaning, stocking, maintenance of facilities like comfort stations, visitor centers, dump stations, road maintenance, and waste removal.

IDPR's top priority is to maintain both full-time and seasonal staffing levels to provide high value recreation facilities statewide. Providing clean, well maintained, and safe facilities for the public is labor intensive. IDPR is continuing to recover from the 80% reduction in General Fund from FY 2011 all while addressing the sustained increase in visitation due to COVID. The goal is not to close any park facilities indefinitely or reduce hours of operations, unfortunately further cuts could result in that becoming a reality.

Affected programs and services from these suggested reductions were not added to the budget, rather they are essential existing functions of the IDPR operating costs. Fixed costs for facility maintenance, employee health benefits, statewide Risk Management, and ITS costs have risen without an increase in revenue to pay for these changes.

Further budget reductions for FY 2026 for the Idaho Department of Parks and Recreation would be disruptive to department operations. If this legislation was passed there would be only a few months to implement a plan. As of January 27, 2026, only 14% of IDPR's General Fund OE remains unspent. Budget reductions would disrupt preparations for the busy camping and recreation season ahead.

IDPR appreciates the Legislature providing the agency with the opportunity to address the reductions across the agency to meet the stated priorities.

# IDPR FY 2026 Reduction Plan, Add'l 1%

Total: **\$ (42,500)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and	Total	What program does this affect?	When was this program added to	Please add a very detailed description of the impact of these
340	PRBA		10000			\$ (42,500)			\$ (42,500)	All Park Operations	FY 1965	See attached memorandum.

# IDPR FY 2026 Reduction Plan, Add'l 2%

Total: **\$ (85,000)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
340	PRBA		10000		\$ (42,500)	\$ (42,500)			\$ (85,000)	All Park Operations	FY 1965	See attached memorandum.

# IDWR FY 2026 Reduction Plan, add'l 1%

Total: **\$ (195,000)**

Agency Number	Appro p Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
360	WRAEOT		10000			\$ (65,000)			\$ (65,000)	Water Allocations	1895	IDWR will not contract with MCCI to develop an online beneficial use form. By foregoing application development, the agency will continue manually entering data into the workflow process, scanning documents, and storing paper documents. Manual data entry takes time and increases the chance for errors. When staff are spending time entering data, they have less time for application evaluation and other water right permitting and licensing tasks.
360	WRAEOT		10000				\$ (8,500)		\$ (8,500)	Water Allocations	1895	IDWR will reduce its replacement of portable flowmeters for closed conduits from three to two. Not replacing flowmeters consistent with our six-year rotation decreases their reliability, decreases their accuracy and precision, and may result in not enough usable meters for staff to efficiently use for necessary water allocation, water right adjudication, and water administration field work.

360 WRAAOT 10000

\$ (121,500)

\$ (121,500) Entire agency FY2026

IDWR will cancel the order placed with the auto dealer for three replacement field vehicles. Foregoing these replacements increases the risk of employees being stranded in remote areas during field operations and elevates employee safety risks associated with operating older, less reliable vehicles. IDWR does not request vehicle replacement until units have exceeded 100,000 miles or are more than fifteen years old. At that stage, vehicles are significantly more prone to age- and mileage-related mechanical failures. Continued use of vehicles scheduled for replacement increases the likelihood of breakdowns in remote areas with limited emergency response options. Reduced reliability forces staff to rely more heavily on the remaining lower-mileage vehicles, creating availability bottlenecks during peak field seasons, such as periods when curtailment orders are issued, and potentially limiting the Department's ability to carry out time-sensitive field activities.

# IDWR FY 2026 Reduction Plan, add'l 2%

Total: **\$ (390,000)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
360	WRAN		10000	(1.00)	\$ (97,500)				\$ (97,500)	Northern Idaho Adjudication	FY2008	IDWR proposes shifting one FTP from the General Fund to the Northern Idaho Adjudication Fund (NIA). The legislature would need to create an appropriation of Personnel Costs in the NIA to implement this solution. Using NIA funds to pay for personnel costs earlier than planned shifts reliance on the General Fund to future years after the NIA Fund is exhausted, but the adjudication is not yet complete. IDWR currently projects the last NIA Director's Report to be filed in 2034, after which there will be an objection resolution period. Pursuant to this proposal, the NIA fund is likely to be depleted in FY2031.
360	WRAR		10000	(1.00)	\$ (97,500)				\$ (97,500)	Bear River Basin Adjudication	FY2022	IDWR proposes shifting one FTP from the General Fund to the Bear River Basin Adjudication Fund (BRBA). The legislature would need to create an appropriation of Personnel Costs in the BRBA to implement this solution. Using BRBA funds to pay personnel costs earlier than planned shifts reliance on the General Fund to future years after the BRBA Fund is exhausted, but the adjudication is not yet complete. IDWR currently projects the last BRBA Director's Report to be filed in 2033, after which there will be an objection resolution period. Pursuant to this proposal, the BRBA Fund is likely to be depleted in FY2039.
360	WRAE	OT	10000			\$ (65,000)			\$ (65,000)	Water Allocations	1895	IDWR will not contract with MCCI to develop an online beneficial use form. By foregoing application development, the agency will continue manually entering data into the workflow process, scanning documents, and storing paper documents. Manual data entry takes time and increases the chance for errors. When staff are spending time entering data, they have less time for application evaluation and other water right permitting and licensing tasks.
360	WRAE	OT	10000				\$ (8,500)		\$ (8,500)	Water Allocations	1895	IDWR will reduce its replacement of portable flowmeters for closed conduits from three to two. Not replacing flowmeters consistent with our six-year rotation decreases their reliability, decreases their accuracy and precision, and may result in not enough usable meters for staff to efficiently use for necessary water allocation, water right adjudication, and water administration field work.

360 WRAA OT 10000

\$ (121,500)

\$ (121,500) Entire agency FY2026

IDWR will cancel the order placed with the auto dealer for three replacement field vehicles. Foregoing these replacements increases the risk of employees being stranded in remote areas during field operations and elevates employee safety risks associated with operating older, less reliable vehicles. IDWR does not request vehicle replacement until units have exceeded 100,000 miles or are more than fifteen years old. At that stage, vehicles are significantly more prone to age- and mileage-related mechanical failures. Continued use of vehicles scheduled for replacement increases the likelihood of breakdowns in remote areas with limited emergency response options. Reduced reliability forces staff to rely more heavily on the remaining lower-mileage vehicles, creating availability bottlenecks during peak field seasons, such as periods when curtailment orders are issued, and potentially limiting the Department's ability to carry out time-sensitive field activities.

# Department Of Agriculture

## FY 2026 Reduction Plan

Total: \$ (156,100)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
210	AGAA		10000			\$ (15,000)			\$ (15,000)	Administration division		The ISDA administration division receives General Fund for operations. Administration also charges an overhead rate of 4% on revenues received from the various dedicated programs of the agency with caps to some of the larger programs. The administration dedicated fund 12501 has a fund 1919 balance sufficient to shift some operations.
210	AGAD		10000			\$ (5,000)			\$ (5,000)	Plants Division		The hemp industry in Idaho does not have enough recent history to allow for long term revenue projections. To date, however, the program revenues have stabilized and support a transfer from General Fund to the dedicated fund. The transfer of \$5,000 for operational expenses like postage, travel and other operational costs can be sustained by the revenues received from the 2021 program on an ongoing basis.
210	AGAH		10000		\$ (1,500)	\$ -			\$ (1,500)	Sheep and Goat Health Board		This is a straight 1% cut applied to Sheep and Goat Health Board General Funds. The Board has additional dedicated personnel spending authority 1951 (fund 33203).
210	AGAD		10000					\$ -	\$ -	Noxious Weeds		The Plants Division accounts for over 50% of the General Funds by ISDA, with the bulk of that funding going towards invasive species and noxious weed prevention, treatment, and Cooperative Weed Management Area (CWMA) projects. The Invasive Species and Noxious Weeds programs accounted for \$7.2 million of the \$8.2 million of General Funds for Plants. The reduction in noxious weed funding is unavoidable given the significant percentage of the budget. This Noxious Weed funding is distributed as pass-through funding for 1970 projects implemented by CWMA's.
	AGAD		10000		\$ (90,800)			\$ (43,800)	\$ (134,600)	Invasive Species		The Invasive Species Program receives nearly one-third of the agency's total General Fund appropriation. While the agency avoided cuts to this program in the previous FY26 recission, the agency is now reviewing and prioritizing operations and watercraft inspection locations. This proposal reflects a cut to watercraft inspection station operations. We would propose delaying opening at three stations to decrease FY26 costs - Samuels, Kooskia and Dubois. Two stations - Kooskia and Dubois - are operated directly by ISDA; while Samuels 2008 is operated by a cooperator.

Total: **\$ (312,200)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
210	AGAA		10000			\$ (15,000)			\$ (15,000)	Administration division		The ISDA administration division receives general fund for operations. Administration also charges an overhead rate of 4% on revenues received from the various dedicated programs of the agency with caps to some of the larger programs. The administration dedicated fund 12501 has a fund 1919 balance sufficient to shift some operations.
210	AGAD		10000			\$ (5,000)			\$ (5,000)	Plants Division		The hemp industry in Idaho does not have enough recent history to allow for long term revenue projections. To date, however, the program revenues have stabilized and support a transfer from General Fund to the dedicated fund. The transfer of \$5,000 for operational expenses like postage, travel and other operational costs can be sustained by the revenues received from the 2021 program on an ongoing basis.
210	AGAH		10000		\$ (3,000)	\$ -			\$ (3,000)	Sheep and Goat Health Board	1951	This is a straight 2% cut applied to Sheep and Goat Health Board General Funds. The Board has additional dedicated personnel spending authority (fund 33203).
210	AGAD		10000					\$ (50,500)	\$ (50,500)	Noxious Weeds	1970	The Plants Division accounts for over 50% of the General Funds by ISDA, with the bulk of that funding going towards invasive species and noxious weed prevention, treatment, and Cooperative Weed Management Area (CWMA) projects. The Invasive Species and Noxious Weeds programs accounted for \$7.2 million of the \$8.2 million of General Funds for Plants. The reduction in noxious weed funding is unavoidable given the significant percentage of the budget. This Noxious Weed funding is distributed as pass-through funding for projects implemented by CWMA's.
			10000		\$ (90,800)			\$ (147,900)	\$ (238,700)	Invasive Species	2008	The Invasive Species Program receives nearly one-third of the agency's total General Fund appropriation. While the agency avoided cuts to this program in the previous FY26 recession, the agency is now reviewing and prioritizing operations and watercraft inspection locations. This proposal reflects a cut to watercraft inspection station operations. We would propose delaying opening at five stations to decrease FY26 costs - Rose Lake, Boundary, Samuels, Kooskia and Dubois. Two stations - Kooskia and Dubois - are operated directly by ISDA; while Samuels, Rose Lake, and Boundary are operated by cooperators.

# SWCC Reduction Plan, Add 1%

Total: **\$ (52,100)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
215	SWCC		10000	(1.00)	\$ (52,100)				\$ (52,100)	Admin-Fiscal		SWCC and IDWR have been working to create a plan to merge the two agencies. If the plan moves forward, the proposal includes a reduction of one FTP and the savings that will be gained by reducing redundancy in administration and fiscal services. The total projected reduction is expected to be about \$100,000 annually. The agency used \$47,900 of this savings as part of the Governor's 3% Holdback so the remaining amount is \$52,100.

# SWCC Reduction Plan, Add 1%

Total: **\$ (96,100)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
215	SWCC	OT	10000				\$ (40,500)		\$ (40,500)	Agency		SWCC proposes removing the appropriation for a replacement vehicle.
215	SWCC		10000	(1.00)	\$ (52,100)				\$ (52,100)	Admin-Fiscal		SWCC and IDWR have been working to create a plan to merge the two agencies. If the plan moves forward, the proposal includes a reduction of one FTP and the savings that will be gained by reducing redundancy in administration and fiscal services. The total projected reduction is expected to be about \$100,000 annually. The agency used \$47,900 of this savings as part of the Governor's 3% Holdback so the remaining amount is \$52,100.
215	SWCC		10000				\$ (3,500)		\$ (3,500)	Agency		SWCC proposes removing the capital outlay appropriation that is received to replace equipment on an as needed basis. The impact of this reduction will be a delay in replacing equipment that has reached the end of life and may not longer work.

## **Proposed Response to the Idaho Legislature Regarding Budget Reductions and Impacts**

In FY2025, the Idaho Department of Commerce worked collaboratively with the Governor's Office and the Idaho Legislature to eliminate the Idaho Global Entrepreneurial Mission (IGEM), an outdated program totaling \$1 million in trustee and benefit funds. This action represented an early and meaningful step by the Department to align resources with current priorities and demonstrate fiscal responsibility.

In response to the original 3% reduction request for FY2026 and FY2027, the Department implemented reductions equivalent to approximately 7% of our overall budget by eliminating positions that had remained vacant for more than six months and reverting CEC pursuant to SB 1110 and Executive Order 2025-05. When adjusted for benefit-related savings, this resulted in an effective reduction of 6.7% for FY2027.

With the additional rescission requests of 1% and 2% for FY2026 and FY2027, respectively, the cumulative impact becomes significant. If fully implemented, these reductions would result in total reversions of approximately 8–9% in FY2026 and 7.7–8.7% in FY2027. When combined with the elimination of the IGEM program in FY2025, the Department will have reduced its overall budget by more than 21% over the last two fiscal years.

To meet the requested 1% and 2% reductions in FY2026, the Department plans to reduce funding for community infrastructure grants administered. These programs have been especially effective in supporting rural communities by funding critical infrastructure projects that enable economic development. Reductions in these programs will have a direct and disproportionate impact on rural Idaho, where communities often rely on this funding to attract private investment, create jobs, and expand local tax bases.

To address the requested reductions in FY2027, the Department anticipates reducing expenses associated with Idaho's international trade offices by renegotiating annual contracts. These offices provide essential support to Idaho businesses by assisting with export readiness, navigating complex international markets, facilitating business matchmaking, and promoting Idaho as a destination for investment. Reducing funding in this area will likely result in diminished support across multiple global markets, negatively affecting Idaho companies, particularly small and first-time exporters that depend on these services to compete and grow internationally.

The Department remains committed to fiscal stewardship and collaboration with the Idaho Legislature. However, the cumulative nature of these reductions will increasingly limit our ability to support economic growth, particularly in rural communities and in expanding Idaho businesses' access to global markets.

## **Direct Impacts of Budget Holdbacks in FY2026 and FY2027**

The proposed budget holdbacks for FY2026 and FY2027 will result in measurable and immediate impacts to Idaho communities, businesses, and workforce development efforts, particularly in rural areas of the state.

### **Reduced Community Infrastructure Grants:**

The FY2026 holdback will require a reduction in community infrastructure grants during quarters two through four. These grants are a primary tool used by the Department to support rural communities in addressing infrastructure gaps that directly enable job creation, workforce retention, and private investment.

One potential project that would be impacted is a city-owned childcare and youth center in a rural Idaho community. This project is designed to serve up to 60 children—from infants through preschool age—and provide after-school programming for older youth. The center would create six full-time and three part-time jobs and directly support workforce participation by removing childcare barriers that limit employee recruitment and retention. Without grant support, the project will be delayed from becoming operational.

### **Loss of Downtown Revitalization and Main Street Support:**

Several planned workshops in partnership with Main Street America would also be jeopardized. These workshops provide hands-on technical assistance to rural communities focused on downtown revitalization, business retention, and economic diversification.

For many rural communities lacking infrastructure needed to attract large-scale manufacturing, Main Street revitalization is a critical economic strategy. These efforts reduce retail leakage, strengthen small businesses, and enable communities to better capture Idaho's growing tourism spending. Reductions in this area would limit the ability of rural downtowns to remain viable economic centers.

### **Impacts to Rural Employers and Job Retention:**

Past infrastructure investments demonstrate the direct economic consequences of reduced funding. In one rural north Idaho mining community, a Department-funded infrastructure grant supported critical power upgrades that helped retain 47 high-paying jobs.

In another rural Idaho community, an infrastructure grant helped retain one of the county's largest employers in advanced manufacturing for the custom cabinet door industry. By supporting a critical commercial access improvement, the company was able to meet permitting requirements and continue operations. Without this investment, the company would have been forced to relocate, resulting in significant job losses.

**Reduced Export and International Trade Support:**

The Department receives more than 300 inquiries annually from companies seeking expansion and export assistance. In FY2025 alone, Idaho's overseas trade offices assisted businesses with more than \$22 million in export sales.

The Department's export assistance efforts generated a return on investment of \$61 for every \$1 invested in FY2025, helping Idaho companies enter new markets and grow internationally.

Reductions to international trade office support would significantly limit the Department's ability to provide export consulting and market development services, disproportionately affecting small and rural Idaho businesses seeking to compete globally.

**Summary:**

The proposed holdbacks will result in fewer infrastructure projects, reduced support for rural downtowns, increased risk to existing jobs, and diminished assistance for Idaho businesses pursuing growth and export opportunities. While the Department remains committed to fiscal responsibility, these reductions will directly limit the tools available to support economic development across Idaho.

Total: **\$ (60,700)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
220	CDA		10000					\$ (60,700)	\$ (60,700)	This is a reduction to the amount of GEM and Rural Community Investment Fund (RCIF) grants that will award		Over the years this amount has decreased and is now at \$850-\$900K for grants - see attached word 2002 document for further detail

Total: **\$ (121,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
220	CDA		10000						\$ (121,400)	\$ (121,400) award		Over the years this amount has decreased and is now at \$850-\$900K for grants - see attached word document for further detail

# IDAHO INDUSTRIAL COMMISSION

## Additional General Fund Budget Reduction Plan

January 28, 2026

In accordance with the recent Memorandum, dated 26 January 2026, issued by Keith Bybee, Budget & Policy Analysis Division Manager at the Idaho Legislative Services Office, the Commission has prepared additional General Fund budget reduction plans for FY2026 and FY2027. The attached workbook reflects the additional 1% and 2% budget reductions as required in Attachment 2 of the Memorandum, while this document addresses the request for a detailed description on the impact of these reductions.

Our Crime Victims Compensation Program (CVCP) is funded by State Dedicated Funds, Federal Victims of Crime Act (VOCA) Funds, and a small amount of General Funds. Our total General Fund appropriation is only utilized for Trustee and Benefit payments for Adult Sexual Assault Forensic Exams, and only after \$50,000 has been expended for such exams from our Dedicated and Federal Funds.

This General Fund appropriation originated during the 2018 legislative session when House Bill 429 was passed, preventing victims' private medical insurance from being billed for forensic examinations. At that time, sexual assault was the only crime in Idaho where the victim's insurance was billed for forensic evidence collection. The anticipated fiscal impact was determined to be \$300,000, which was then appropriated as ongoing Trustee and Benefits payments from the General Fund beginning FY2019.

Since FY2019, the Crime Victims Compensation Program's General Fund appropriation has been affected by ongoing reductions as follows:

- FY2021 (EO-2020-14) of 2%: Adjusted Ongoing Appropriation of \$294,000
- FY2026 (EO-2025-05) of 3%: Adjusted Ongoing Appropriation of \$285,200

Since our General Fund appropriation can only be used for payment of adult sexual assault forensic examinations, and cannot be used to cover Trustee and Benefit payments for other services, our risks of exceeding the General Fund appropriation are limited. In past years, the General Fund appropriation has been sufficient to cover all costs for these examinations, with the most recent reversion for FY2025 totaling \$32,800. Should the General Fund appropriation be exhausted, the costs for these examinations can be shifted to our Dedicated and Federal Funds. Total appropriations for administration of the CVCP are currently sufficient to absorb the estimated General Fund reductions. Therefore, the Commission does not anticipate difficulties in paying all eligible claims and in covering the administration of the program.

This analysis is based on the assumption that no changes will be made to the availability of our Federal Funds, or a decrease in our state revenue streams from the criminal justice system. We continue to monitor these funding streams monthly. Should the total appropriations for Trustee and Benefits be insufficient to meet estimated financial obligations for eligible claims, the Commission has statutory authority under [Idaho Code Section 72-1008](#) to make proportionate reductions in benefits paid to all claimants, to align with our Trustee and Benefit appropriation.

Total: **\$ (6,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
240	EMAA		10000			\$ (3,400)			\$ (3,400)	Wage and Hour Program	The Wage and Hour program was established in Idaho Code in 1967. Our records show in 1996 the program was combined with the Idaho Department of Employment, later renamed Idaho Department of Labor. The program has been budgeted with IDOL since then.	Further general fund budget cuts will not have an immediate impact on this program or service provision for other Department of Labor programs. Because we are switching funding sources from General Fund to dedicated funds, there is no additional impact because of the shortened implementation time frame. Currently, the department has sufficient dedicated fund spending authority and fund balances to absorb an additional 1% reduction in state fiscal year 2026. However, long term the department's finite dedicated fund spending authority and drains on the fund balance over time may limit service provision and require decisions regarding program delivery for the programs that rely on dedicated funds to operate (including the Wage and Hour program). Our dedicated fund balances are utilized to supplement federal program dollars to ensure minimum levels of service delivery. The countercyclical nature of our programs means that when the economy is thriving, our federal grant funds for programs like Unemployment Insurance Administration, Employment Services, and other workforce programs may be reduced due to drops in workloads. In order to maintain continuity of service, the department must maintain baseline staffing levels to ensure we are prepared for a downturn in the economy.
240	EMUI		10000			\$ (3,000)			\$ (3,000)	Wage and Hour Program	The Wage and Hour program was established in Idaho Code in 1967. Our records show in 1996 the program was combined with the Idaho Department of Employment, later renamed Idaho Department of Labor. The program has been budgeted with IDOL since then.	Further general fund budget cuts will not have an immediate impact on this program or service provision for other Department of Labor programs. Currently, the department has sufficient dedicated fund spending authority and fund balances to absorb an additional 1% reduction in state fiscal year 2026. However, long term the department's finite dedicated fund spending authority and drains on the fund balance over time may limit service provision and require decisions regarding program delivery for the programs that rely on dedicated funds to operate (including the Wage and Hour program). Our dedicated fund balances are utilized to supplement federal program dollars to ensure minimum levels of service delivery. The countercyclical nature of our programs means that when the economy is thriving, our federal grant funds for programs like Unemployment Insurance Administration, Employment Services, and other workforce programs may be reduced due to drops in workloads. In order to maintain continuity of service, the department must maintain baseline staffing levels to ensure we are prepared for a downturn in the economy.

Total: **\$ (12,800)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the	Please add a very detailed description of the impact of these reductions.
240	EMAA		10000			\$ (9,800)			\$ (9,800)	Wage and Hour Program		<p>Further general fund budget cuts will not have an immediate impact on this program or service provision for other Department of Labor programs. Because we are switching funding sources from General Fund to dedicated funds, there is no additional impact because of the shortened implementation time frame. Currently, the department has sufficient dedicated fund spending authority and fund balances to absorb an additional 2% reduction in state fiscal year 2026. However, long term the department's finite dedicated fund spending authority and drains on the fund balance over time may limit service provision and require decisions regarding program delivery for the programs that rely on dedicated funds to operate (including the Wage and Hour program).</p> <p>Our dedicated fund balances are utilized to supplement federal program dollars to ensure minimum levels of service delivery. The countercyclical nature of our programs means that when the economy is thriving, our federal grant funds for programs like Unemployment Insurance Administration, Employment Services, and other workforce programs may be reduced due to drops in workloads. In order to maintain continuity of service, the department must maintain baseline staffing levels to ensure we are prepared for a downturn in the economy.</p>
240	EMUI		10000			\$ (3,000)			\$ (3,000)	Wage and Hour Program		<p>Further general fund budget cuts will not have an immediate impact on this program or service provision for other Department of Labor programs. Currently, the department has sufficient dedicated fund spending authority and fund balances to absorb an additional 2% reduction in state fiscal year 2026. However, long term the department's finite dedicated fund spending authority and drains on the fund balance over time may limit service provision and require decisions regarding program delivery for the programs that rely on dedicated funds to operate (including the Wage and Hour program).</p> <p>Our dedicated fund balances are utilized to supplement federal program dollars to ensure minimum levels of service delivery. The countercyclical nature of our programs means that when the economy is thriving, our federal grant funds for programs like Unemployment Insurance Administration, Employment Services, and other workforce programs may be reduced due to drops in workloads. In order to maintain continuity of service, the department must maintain baseline staffing levels to ensure we are prepared for a downturn in the economy.</p>

Total: **\$ (2,900)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
441	SGBP		10000			\$ (2,900)			\$ (2,900)	Commission on Hispanic Affairs	FY1988	The impact of these budget reductions will require a more deliberate and strategic effort to increase the amount of funds raised for our Dedicated Fund.

Total: **\$ (5,800)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
441	SGBP		10000			\$ (5,800)			\$ (5,800)	Commission on Hispanic Affairs	FY1988	The impact of these budget reductions will require a more deliberate and strategic effort to increase the amount of funds raised for our Dedicated Fund.



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Memorandum

**To:**

**From:** Janet L. Gallimore, Executive Director

**Date:** January 30, 2026

**Subject:** Additional Budget Reduction Plans for FY 2026 and FY27 – ISHS

**Background:**

On January 26, 2026, Keith Bybee, LSO Budget and Policy Division Manager, issued guidance to State agencies regarding Fiscal Years (FY) 2026 and 2027 budget planning sent on behalf of the JFAC Co-Chairs. Agencies were instructed to prepare plans outlining potential strategies for General Fund reductions of an additional 1% and 2%, for (FY) 2026 and 2027, in conjunction with the 3% General Fund reverted for (FY) 2026 and 2027 in meeting Executive Order No. 2025-05, The Idaho Act.

The Idaho State Historical Society (ISHS) operating budget is funded through a combination of revenue sources, including:

- **General Fund:** State tax appropriation
- **Miscellaneous Revenue:** Non-federal grants, donations, earned income, fees, licensing agreements, and memberships
- **Federal Funds:** Federal grants and program income, including those administered by the State Historic Preservation Office (SHPO)

For FY 2026, ISHS received an ongoing General Fund appropriation of \$4,883,300- and one-time General Fund support of \$450,000. Based on the requested holdback scenarios, the potential reductions are as follows:

- **Additional 1% Holdback:** \$50,800
- **Additional 2% Holdback:** \$104,100

**Proposed Approach:**

To comply with the JFAC Co-Chairs directive, ISHS has developed a tiered response plan to address each holdback level. These scenarios are designed to serve as short-term measures and will be achieved through a combination of:

- Targeted contract cancellation and expenditure reductions
- Utilization of one-time savings
- Operational efficiencies recently implemented
- Strategic fund shifting across available revenue categories

These steps ensure compliance with fiscal directives. The proposed FY 2026 and 2027 General Fund holdbacks are intended as one-time measures. While ISHS is committed to fiscal responsibility and will implement temporary solutions where feasible, these actions are not sustainable long-term and may result in increased fees and limit the agency's ability to maintain core services to the public if extended or repeated in future budget cycles.



Memorandum

**EO 2025-05, The Idaho Act, 3% Components**

*Based on ongoing General Fund of \$4,883,300*

	PC	OE	CO	T/B	Total
<b>Budget Unit EDMA</b>	3,049,400	1,756,500	45,800	31,600	4,883,300
<b>Components</b>					
CEC Reversion	27,950				27,950
Reduction and/or Fund Shift for General & Professional Services		59,150			59,150
Reduction and/or Fund Shift for Travel		9,500			9,500
Reduction and/or Fund Shift in Employee Development		8,100			8,100
Reduction and/or Fund Shift in Specific Use Supplies		5,600			5,600
Reduction and/or Fund Shift for Repairs & Maintenance		24,500			24,500
Reduction and/or Fund Shift for Administrative Services		7,100			7,100
Reduction and/or Fund Shift in Administrative Supplies		3,200			3,200
Reduction and/or Fund Shift in Repairs & Maintenance Supplies		1,400			1,400
<b>Total</b>					<b>146,500</b>

**Additional 1% Components**

*Based on ongoing and one-time General Fund of \$5,333,300*

	PC	OE	CO	T/B	Total
<b>Budget Unit EDMA</b>	3,049,400	1,756,500	45,800	31,600	4,883,300
<b>Components</b>					
Reduction and/or Fund Shift for General & Professional Services		25,257			25,257
Reduction and/or Fund Shift for Travel		4,057			4,057
Reduction and/or Fund Shift in Employee Development		3,483			3,483
Reduction and/or Fund Shift in Specific Use Supplies		2,408			2,408
Reduction and/or Fund Shift for Repairs & Maintenance		10,535			10,535
Reduction and/or Fund Shift for Administrative Services		3,053			3,053
Reduction and/or Fund Shift in Administrative Supplies		1,376			1,376
Reduction and/or Fund Shift in Repairs & Maintenance Supplies		631			631
<b>Total</b>					<b>50,800</b>

**Additional 2% Components**

*Based on ongoing and one-time General Fund of \$5,333,300*

	PC	OE	CO	T/B	Total
<b>Budget Unit EDMA</b>	3,049,400	1,756,500	45,800	31,600	4,883,300
<b>Components</b>					
Reduction and/or Fund Shift for General & Professional Services		52,052			52,052
Reduction and/or Fund Shift for Travel		8,360			8,360
Reduction and/or Fund Shift in Employee Development		7,128			7,128
Reduction and/or Fund Shift in Specific Use Supplies		4,928			4,928
Reduction and/or Fund Shift for Repairs & Maintenance		21,560			21,560
Reduction and/or Fund Shift for Administrative Services		6,248			6,248
Reduction and/or Fund Shift in Administrative Supplies		2,816			2,816
Reduction and/or Fund Shift in Repairs & Maintenance Supplies		1,008			1,008
<b>Total</b>					<b>104,100</b>

Review by Others: Sondra Chadd, Fiscal Officer  
ISHS Administrators

Total: **\$ (50,800)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
522	EDMA		10000	-	\$ -	\$ (50,800)	\$ -	\$ -	\$ (50,800)	N/A	N/A	ISHS relies on contract usage ranging from mobile security to marketing. Ongoing funding loss impact will range from marketing services resulting in less visitation, security services resulting in increased risk, travel resulting in less Idahoans served, and repairs and ongoing maintenance needs deferred resulting in increased costs.

**Total: \$ (104,100)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
522	EDMA		10000	-	\$ -	\$ (104,100)	\$ -	\$ -	\$ (104,100)	N/A	N/A	ISHS relies on contract usage ranging from mobile security to marketing. Ongoing funding loss impact will range from marketing services resulting in less visitation, security services resulting in increased risk, travel resulting in less Idahoans served, and repairs and ongoing maintenance needs deferred resulting in increased costs.

January 30, 2026

Dylan Baker  
State Librarian  
Idaho Commission for Libraries

Brooke Dupree  
Senior Budget Analyst  
Legislative Services Office

**RE: Additional Budget Reduction Plans for FY 2026 and FY 2027**

Enclosed is the Idaho Commission for Libraries (ICfL) budget reduction plan. Attachment 1 of the Additional Budget Reduction Plans for FY 2026 and FY 2027 memorandum dated January 26, 2026, lists the ICfL additional reduction amounts as \$198,800 for the additional 1% reduction and \$248,500 for the additional 2% reduction. Subtracting the original 3% reduction of \$149,100 already accounted for in the Governor's holdback and 2027 budget submission from these amounts results in an additional minimum required amount of \$49,700 for an additional 1% reduction and \$99,400 for an additional 2% reduction.

**FY 2026**

The 1% reduction of \$49,700 would be achieved through one-time salary savings:

1. Library Consultant position held vacant through the end of FY 2026
  - a. The position was vacated in December 2025 with salary savings totaling \$47,200 by June 30, 2026. This is a critical position that must be filled in FY 2027. Extending the vacancy by an additional six months will reduce professional consulting support for libraries, negatively affecting the programs and services they can provide to their communities.
2. State Librarian salary savings
  - a. The long-serving State Librarian retired in December 2025. The newly hired State Librarian's lower salary results in approximately \$6,000 salary savings.

The 2% reduction of \$99,400 would be achieved through the measures in the 1% reduction, coupled with this one-time addition:

3. Deputy State Librarian position held vacant through April 2026
  - a. This deputy director position cannot be held vacant longer than this limited period without severely affecting agency operations and program oversight. The short-term vacancy results in salary savings totaling \$46,200.

## **FY 2027**

For FY2027, the reduction of \$49,400 or \$99,400 would be achieved by eliminating 1-2 Libraries Linking Idaho (LiLI) database contract(s), resulting in an estimated savings of \$50,000 - \$100,000. This action would directly impact Idahoans by reducing access to statewide online research and information resources used by students, job seekers, educators, and the general public. The specific contract selected for elimination would be based on usage data, cost per use, and contract terms to identify the most cost-effective option while minimizing service impacts.



## OFFICE OF THE IDAHO STATE APPELLATE PUBLIC DEFENDER

### MEMORANDUM

To: Janica Bisharat, Senior Budget & Policy Analyst, LSO

From: Erik Lehtinen, State Appellate Public Defender

Date: January 30, 2026

Re: Additional Budget Reduction Plan for FY 2026 and FY 2027

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On January 26, 2026, Keith Bybee, the Budget & Policy Analysis Division Manager for LSO, requested (on behalf of the JFAC co-chairs) that all agency directors submit plans to implement budget reductions of 1% or 2% for the remainder of FY 2026, and for FY 2027. Such reductions would be based on agencies' original FY 2026 appropriations but would be in addition to the 3% reductions previously implemented in FY 2026 and integrated into agencies' FY 2027 budget submissions.

Given its strong financial position midway through FY 2026, the Office of the State Appellate Public Defender (SAPD) believes it can withstand an additional 1% or 2% budget reduction for the current fiscal year without suffering any material limitations on its ability to perform its constitutional duties. However, the favorable financial conditions that would allow the SAPD to withstand additional cuts in FY 2026 may not be present in FY 2027. Therefore, further cuts in FY 2027 risk impairing the SAPD's ability to provide effective appellate representation to its clients, as is required by the United States Constitution.

#### *Mission of the SAPD*

The SAPD is one of only two Idaho agencies whose mission is required by the United States Constitution. The SAPD was established in 1998 to provide legal representation to indigent defendants whose cases are on appeal before Idaho's appellate courts, or who have been sentenced to death. The Equal Protection Clause of the Fourteenth Amendment to the United States Constitution requires that when a state allows criminal defendants to appeal their convictions, it is obligated to provide counsel for those who cannot afford an attorney. Additionally, the Fourteenth Amendment's Due Process Clause requires that appellate counsel be "effective," meaning they must perform competently and consistently with professional norms.<sup>1</sup>

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<sup>1</sup> The other agency whose mission is required by the United States Constitution is the State Public Defender (SPD). The SPD represents defendants at the trial court level, as required by the Sixth Amendment.

### *Magnitude of Cuts*

The SAPD's original General Fund appropriation for FY 2026 was approximately \$4,349,300. Since the SAPD is a law office, the sole function of which is representing clients in Idaho's courts, its appropriation primarily funds salaries and benefits for attorneys and support staff. Thus, the PC component (\$3,658,700) of the SAPD's FY 2026 appropriation comprises 84% of the SAPD's total appropriation. As a result of the high percentage of PC, the SAPD generally has very little room to absorb budget cuts without affecting PC funding. And, to the extent that any PC funding cuts require employee furloughs they impair the SAPD's ability to perform its core, constitutional mission.

That SAPD's FY 2026 appropriation has already been reduced by 3% (\$130,300) pursuant to Governor Little's August 15, 2026, executive order. Likewise, its budget submission for FY 2027 has been reduced by 3%. A further 1% reduction to either would diminish that budget by an additional \$43,700, and a 2% reduction to either would diminish that budget by an additional \$87,400.

### *SAPD Plan for a 1% Reduction for the Remainder of FY 2026*

To fund a 1% reduction in the current fiscal year, the SAPD would rely on OE dollars, drawing in part from Program 44302, a program dedicated to paying for outside representation in non-death penalty cases in which the SAPD has conflicts of interest. The SAPD's original FY 2026 appropriation included \$207,500 for Program 44302. Fortunately, the SAPD has incurred unprecedentedly low costs for non-capital conflict cases in FY 2026.<sup>2</sup> Thus, the SAPD already reverted \$78,200 from Program 44302 to the General Fund in response to Governor Little's executive order, leaving \$129,300 in Program 44302. Given the low costs associated with conflict cases thus far in FY 2026, the SAPD believes it could revert an additional \$20,000 from Program 44302 without impairing its ability to pay contract costs associated with those cases. That would cover nearly half the cost of a 1% (\$43,700) budget reduction for FY 2026.

To make up the difference (\$23,700), the SAPD would turn to Program 44301, which is the SAPD's largest budgeted program, and includes all personnel funding, general operating funding, and all capital outlay funding. Specifically, the SAPD would draw from general operating funds in Program 44301. Through the first half of FY 2026, the SAPD has delayed various purchases and forgone various training opportunities for its attorneys and staff, for fear of further budget cuts.<sup>3</sup> As a result, there will be sufficient OE funds in Program 44301 to cover the balance of a 1% budget reduction (\$23,700).

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<sup>2</sup> The drop in costs is attributable to a fortuitous and precipitous drop in the number of conflict cases the SAPD has had to contract out to outside counsel. While the SAPD averaged more than 30 conflict cases per year from FY 2021 through FY 2023, it had only 17 conflict cases in FY 2025 and it has had a mere four conflict cases thus far in FY 2026.

<sup>3</sup> The SAPD will not be able to delay purchases of supplies and equipment indefinitely. For example, the SAPD has thus far delayed the second phase (of two) of its replacement of old computer monitors. While the SAPD still has enough functional monitors for attorneys and staff to do their jobs, old monitors are failing one by one and will need to be replaced eventually. Nor can the SAPD forgo attorneys' continuing legal education training indefinitely. All Idaho attorneys are required to obtain 30 course hours of

In the highly unlikely event that conflict case costs spike in the second half of FY 2026 *and* the SAPD runs into unanticipated and significant costs drawing upon general operating funds, the SAPD could fall back on salary savings to fund its continuing operations.<sup>4</sup> However, the need to utilize salary savings as a backup option currently seems extremely unlikely, especially in a 1% reduction scenario.

*SAPD Plan for a 2% Reduction for the Remainder of FY 2026*

The SAPD's plan for a 2% reduction in FY 2026 is essentially the same as its plan for a 1% reduction in FY 2026. That is, the SAPD would start by utilizing \$20,000 from Program 44302, (the conflicts program). The additional \$67,400 needed to fund a 2% cut would then be drawn from OE funds in Program 44301 (general operating funds). The SAPD is confident that sufficient OE funds are currently available in Program 44301; however, in this 2% reduction scenario, the SAPD would then be more limited in its ability to purchase supplies and replacement equipment and fund training in FY 2026, which would then push those costs into FY 2027 and place the SAPD in a more financially precarious position at the outset of FY 2027.

As in the 1% reduction scenario, in the unlikely event that conflict case costs spike in the second half of FY 2026 *and* the SAPD runs into unanticipated and significant costs drawing upon general operating funds, the SAPD could fall back on salary savings to fund its continuing operations. While the need to utilize salary savings as a backup option is slightly more likely in the 2% reduction scenario than it is in the 1% reduction scenario, the SAPD still sees it as remote.

*SAPD Plan for a 1% Reduction for FY 2027*

The SAPD's plan for a 1% reduction in FY 2027 is the same as it is for FY 2026. That is, the SAPD would draw \$20,000 from Program 44302 and \$23,700 from OE funds in Program 44301.

However, this plan carries significantly more risk for FY 2027 than it does for the current year. The SAPD expects its conflict case costs to increase to more typical levels in FY 2027. Thus, there is a heightened risk that the diminished funds in Program 44302 will be insufficient to meet the SAPD's costs, and the SAPD will have to backfill that program with OE funds from Program 44301. At the same time, OE funds will already be reduced owing to the 3% cuts already built into the FY 2027 budget submission. Thus, OE funds from Program 44301 may be insufficient as well, and the SAPD may have to turn to PC funds from Program 44301. Since there is no guarantee that the SAPD will have salary savings in FY 2027, the SAPD may be required to furlough attorneys and/or staff to free up PC funds. Since the SAPD already labors under an excessive caseload and has no excess capacity, any attorney furloughs will compromise the SAPD's ability to discharge its constitutional obligation to provide effective, timely assistance to its clients. This could put individual attorneys and their supervisors at risk of Idaho State Bar sanctions, and it could risk liability for the State of Idaho.

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continuing legal education every three years to maintain their licenses (and continue developing their knowledge and skills to perform effectively). So, while attorneys do not need to attend training seminars every year, such training must occur at some point.

<sup>4</sup> The SAPD currently estimates salary savings of \$42,000 – \$90,000 for FY 2026.

### *SAPD Plan for a 2% Reduction for FY 2027*

The SAPD's plan for a 2% reduction in FY 2027 is the same as it is for FY 2026. That is, the SAPD would draw \$20,000 from Program 44302 and \$67,400 from OE funds in Program 44301.

While this plan is theoretically possible, all of the risks highlighted above regarding a 1% reduction in FY 2027 are increased in the 2% reduction scenario. In particular, because so much is anticipated to be cut from OE funds in Program 44301, the SAPD would have no cushion to absorb increased costs in any portion of its operations before having to resort to employee furloughs. And, as noted, any such furloughs would undermine the SAPD's ability to discharge its core constitutional duties.

The SAPD has significant concerns about the potential adverse consequences of an additional 2% reduction for FY 2027.

### *Conclusion*

Owing to its frugality (and some good luck), the SAPD is currently positioned to be able to handle further budget reductions of 1-2% for the remainder of FY 2026. The biggest risk associated with further cuts in FY 2026 is that they could cause the SAPD to delay incurring certain necessary expenses, which could start the SAPD off in a worse financial position in FY 2027. That risk should not be overlooked, since the SAPD already anticipates financial challenges in FY 2027.

FY 2027 is likely to be a more a financially challenging year for the SAPD financially because its conflict case costs are expected to rebound. Assuming those costs increase in FY 2027, the SAPD will be less able to absorb additional budget cuts without furloughing employees. Furloughs, should they be required, would impede the SAPD's ability to perform its constitutionally required duties.

CC: Adam Jarvis, Financial Management Analyst, DFM  
Mark Kubinski, Associate General Counsel, Office of the Governor

# Division of Veterans Services FY 2026 Reduction Plan

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this	When was this program added to the	Please add a very detailed description
									<b>Total: \$ (18,100)</b>			
444	SGVS		10000		\$ (18,100)				\$ (18,100)	Veterans Cemetery in Boise	FY 2005	FY 26 Salary savings from vacant Cemetery

**Total: \$ (36,200)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
444	SGVS		10000		\$ (36,200)				\$ (36,200)	Veterans Cemetery in Boise	FY 2005	FY 26 Salary savings from vacant Cemetery Boise caretaker position # 17800 from 7/1/25 through 1/4/26. This position was filled on 1/5/26 and is necessary going forward due to the increase of interments at the Veterans Cemetery in Boise. This reduction will not have a negative impact on the Veterans Cemetery Boise FY 2026 operation unless funding is removed on an permanent basis.



Eric D. Fredericksen  
*State Public Defender*

Brady King  
*Deputy Director*

Doug Nelson  
*Litigation Director*

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Shannon Romero  
*Alternate Counsel  
Division Director*

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Jay Logsdon  
*1st District Public  
Defender*

Joanna McFarland  
*2nd District Public  
Defender*

Isaiah Govia  
*3rd District Public  
Defender*

Anthony Geddes  
*4th District Public  
Defender*

Benjamin Andersen  
*5th District Public  
Defender*

David Martinez  
*6th District Public  
Defender*

Jordan Crane  
*7th District Public  
Defender*

Dear JFAC,

1/29/2026

### Overview

On October 1, 2024, the State Public Defender (SPD) incorporated 44 different county public defense processes into one unified state system for public defense. Pursuant to the Sixth and Fourteenth Amendments to the United States Constitution and Article I, Section 13 of the Idaho Constitution, the State of Idaho is obligated to provide a constitutional system of public defense in criminal cases. See *Tucker v. State*, 162 Idaho 11 (2017). In its short existence, with the support of the Idaho Legislature and the Governor, the SPD has made significant improvements to Idaho's public defense system. Since July 1, 2025, the SPD has hired 34 attorneys, 13 legal assistants, 10 investigators/social workers, and we have 4 pending hires that are currently 3<sup>rd</sup> year law students.

The *Tucker v. State of Idaho* lawsuit, which has been ongoing for over 10 years, is currently pending before the Idaho Supreme Court. The SPD is currently meeting its constitutional obligations but any further budget reductions beyond the Governor's recommendation will inhibit the ability to continue to provide constitutional public defense in Idaho.

This memorandum outlines the operational, fiscal, and constitutional impacts of the proposed 1% and 2% budget reductions on the Office of the SPD. While the reductions may appear modest in isolation, their cumulative effect would materially constrain the SPD's ability to manage mandatory cost growth, address chronic staffing shortages, and fulfill the State's constitutional obligation to provide effective assistance of counsel to indigent clients in criminal cases, its statutory obligation to provide effective assistance to indigent clients in Child Protective Act (CPA), and involuntary commitment cases.

FY 2026 represents the first full fiscal year of statewide public defense operations under the SPD. As such, actual costs are still being established based on real-world experience rather than historical projections. Budget reductions imposed at this stage risk impairing core functions before a complete and accurate cost picture is available.

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## Key Operational Impacts

### 1. CPA Cost Growth

Initial CPA cost estimates were approximately \$2.5 million. After seven months of actual expenditures, projected annual costs have increased to approximately \$3.7 million, with total CPA case volume exceeding the expected budget allocation. It was anticipated that under Title IV E of the Social Security Act, the State would be able to recoup some of these costs from the federal government through reimbursements. To date, although a cost allocation plan was submitted almost a year ago, it is still pending and those funds have not been available to the SPD.

These CPA representation costs are statutorily required and largely nondiscretionary. The increase reflects higher-than-anticipated case volume rather than discretionary program expansion. Without sufficient budget capacity, this growth will create structural pressure in FY 2027 and beyond.

These increased CPA costs were not budgeted for in the SPD's FY 2026 base budget.

### 2. Court-Ordered Costs Shifted to the SPD

Courts across the state have ordered the SPD to pay for county court related expenses—that were historically paid by counties through the District Court Fund.

While counties have retained those funds to use for indigent public defense, these court-driven expenses have been pushed onto the SPD without a corresponding funding mechanism. The SPD has objected to the unintended cost shift to little benefit. The resulting exposure is ongoing, unpredictable, and outside the SPD's direct control.

These court-ordered costs were not budgeted for in the SPD's FY 2026 base budget.

### 3. Attorney Staffing and Workload Standards

Statewide, the SPD remains approximately 20 attorney FTEs short of meeting established workload standards. Even with approval of six additional attorney positions funded through the dedicated fund, the SPD will need additional attorneys. Inability to provide competitive wages will decrease our projected timeline of creating a pipeline of new attorneys to support public defense, hindering the ability to provide protection of individuals' constitutional rights in Idaho's courts.

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Failure to meet workload standards increases the risk of excessive caseloads, service delays, and ineffective representation. Prolonged understaffing also compounds downstream costs by increasing reliance on contractors and emergency measures.

#### **4. Contractor Cost Escalation**

Contractor costs are trending higher than originally anticipated due to market pressures and increased reliance on external services to meet case demands. If these trends continue without adequate budget capacity, the SPD may be forced to seek additional operating expenditures through a FY 2027 supplemental request and the FY 2028 budget. Absent additional funding, reductions in contractor rates or employee furloughs may become necessary, with potential impacts beginning as early as FY 2026.

These escalated contractor costs were not budgeted for in the SPD's FY 2026 base budget.

#### **5. Institutional Office Transitions and Facility Costs**

The Legislature is aware of forthcoming transition costs associated with relocating institutional offices from county-provided spaces to state-owned facilities. These moves are mandatory by July 1, 2029, and cannot be deferred, without legislature amendments to the SPD Act.

Failure to plan for these costs within existing budget authority will necessitate larger future appropriations, increasing long-term fiscal exposure. SPD's proposed transition plan is a slow methodical move to state-owned spaces, which will not be possible with additional reduction in funding.

#### **6. Ada County Parking Rate Increases**

Beginning January 1, 2026, Ada County will require the SPD to pay parking fees for all SPD employees. Unlike other counties that provide parking as part of office space obligations, this represents a significantly increased recurring cost. For example, all county and state employees are charged between \$10-\$20 a month per employee. The rate increase proposes that SPD employees pay the public parking rate, from \$130-\$175 a month per employee, depending on where they are allocated parking.

While modest in isolation, this expense adds to cumulative fixed cost growth and will become increasingly difficult to sustain in future fiscal years.

These parking cost increases were not budgeted in the SPD's FY 2026 base budget.

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## **Current Funding Strategies and Their Limits**

To manage emerging and mandatory cost pressures during the initial implementation of statewide public defense, the SPD has relied on temporary internal budget flexibility during FY 2026.

A portion of this flexibility has resulted from salary savings generated by vacant attorney and staff positions created during the transition from county to statewide operations. The salary savings are, by definition, temporary. Recruitment efforts have been successful statewide, and the SPD is on track to fill all currently authorized vacancies by the end of the calendar year. As staffing reaches full capacity, salary savings will appropriately dissipate. Accordingly, any flexibility derived from vacancy-driven salary savings will largely disappear in FY 2027 and beyond.

Recognizing the temporary nature of these salary savings, the FY 2026 personnel appropriation provided by the Legislature has been critically important. After implementation of the statewide salary restructure, conservative stewardship will result in a portion of the appropriation remaining unused in FY 2026. Given the 3% budget holdbacks already included in the FY 2027 Governor's recommendation, this unused capacity is what allows the SPD to continue absorbing unforeseen costs and to plan into FY 2027 without increasing pressure on the General Fund.

The SPD intends to rely on this ongoing personnel appropriation flexibility to fund future attorney positions without requesting additional General Fund support. This allows the SPD to absorb higher-than-anticipated statutory cost growth, respond to court-driven expenditures, partially fund transition moving costs, and manage contractor cost escalation through internal personnel cost (PC) to operating expenditure (OE) transfers—without seeking additional General Fund appropriations.

## **Constitutional and Legal Implications**

The operational impacts described above directly affect the SPD's ability to provide timely and effective representation to indigent clients. Reduced staffing, constrained contractor support, and limited operational flexibility, including technology needs, increase the risk of excessive caseloads and unconstitutional service delays.

These conditions heighten the State's exposure to liability for failure to meet its constitutional mandate, particularly in the context of ongoing and potential

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litigation. Additional budget reductions therefore present not only operational challenges, but significant legal and fiscal risk impacting citizens' constitutional rights in court.

### **Conclusion**

The proposed 1% and 2% budget reductions would materially impair the SPD's ability to manage mandatory cost growth, address staffing shortages, and absorb known and unknown future obligations during the first full year of statewide operations and beyond.

To date, the SPD has relied on conservative budgeting, the legislature's support for improved salaries and additional positions, and internal flexibility to minimize General Fund impacts. The proposed reductions would substantially limit or eliminate those options, shift costs onto future budget cycles, and increase the risk that the SPD will be unable to meet its constitutional obligations—thereby increasing the State's exposure to ongoing and future litigation.

Given that FY 2026 represents the first complete year of statewide public defense operations, deferring further budget reductions until actual costs are fully realized would allow for more informed decision-making and reduce the risk of unintended fiscal and constitutional consequences.

Signature: *Eric Fredericksen*

Date: 1/29/2026

Eric Fredericksen  
State Public Defender

Total: **\$ 1,789,800**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this	When was this program added to the	Please add a very detailed description of
438	SGAA		10000	#	#####	\$ -	\$ -	\$ -	\$ 1,789,800	State Public Defender	Agency Onset	Please see Supplemental Documtation

Total: **\$ 2,237,200**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
438	SGAA		10000	#	#####	\$ -	\$ -	\$ -	\$ 2,237,200	State Public Defender	Agency Onset	Please see Supplemental Documtation

## **Additional Budget Reduction Narrative – Office of Administrative Hearings (460)**

- **Identify how budget reductions will affect the current workforce and whether additional reductions will necessitate formal reductions in force, furloughs, or both.**

At present, OAH's personnel cost budget is virtually maxed; a minimal 'buffer' amount of approximately \$13,000 is maintained for potential vacation payout if an employee were to depart, and for very small merit increases and/or merit awards, if warranted/permitted. OAH's administrative law judges ("ALJs"), while statutorily required to meet the same qualification requirements as magistrate judges, are among the lowest paid judges/attorneys compared to other judges/attorneys employed by the State of Idaho, as reflected in a salary survey conducted by DHR in March 2025. Based on available personnel cost dollars, OAH's line ALJs make approximately \$108,000/yr., as compared to \$164,508 for a magistrate judge, and even as compared to an average \$111,000/yr salary across all line Deputy Attorneys General in Idaho (irrespective of service years). OAH's one Lead ALJ is salaried at \$116,000/yr, as compared to \$129,000 for Attorney 5 at the State Public Defender and \$125,000/yr for Lead Attorneys at SAPD. OAH also recently lost one ALJ to a higher-paying county-level Deputy Prosecutor position (\$25,000 more). Given these significant salary challenges, hiring and retention will be extremely problematic for OAH in the future – for example, given the minimal 'buffer' remaining in personnel costs, OAH is all but financially precluded from utilizing existing DHR-allowed recruitment and retention bonuses. In the same vein, given these salary challenges, even the potential for furloughs creates retention insecurities, as ALJs may seek more secure, higher-paying positions elsewhere, degrading OAH's ability to handle contested case proceedings. Moreover, OAH has a strict "no overtime" policy due to overtime-payout implications. In light of these challenges, a(nother) departure of an ALJ would likely require lagging the hire to preserve personnel dollars, which would, in turn, result in higher caseloads and increased delays in hearing/decision times for existing cases. These delays would not be insignificant, and would create significant due process issues. In OAH's Health & Social Services Division, OAH would potentially run afoul of federal hearing requirements and existing federal court orders, potential triggering federal "interventions" into Idaho's contested case proceedings. In OAH's General Government division, delays would result in missed deadlines (most significantly, deadlines established by statute), giving rise to a risk of increased litigation, both as to potential judicial review of delayed agency action as well as potential litigation regarding due process violations.

Additionally, given significant growth of cases assigned by Idaho's other agencies (a 14% increase in CY2025) as well as the existing annual volume of DHW cases (469), OAH's ALJs all carry full caseloads to ensure prompt completion of assigned cases, including those that have strict decision deadlines established by statute and/or rule. This includes OAH's Chief Administrative Law Judge, who, in addition to his administrative duties as the agency director, carries a full caseload (anecdotally, a relative rarity among other states' Chief ALJs). For these reasons, OAH's Deputy Clerks also work at full capacity – in the General Government Division (which handles all agencies other than DHW), for example, one Deputy Clerk supports three ALJs, as well as all non-caseload, executive-team needs.

For these reasons, any additional budgetary reductions cannot be pulled from personnel costs, nor can furloughs be made without impacting OAH's operation, including meeting statutory deadlines for hearings. As such, a 1% or 2% reduction would have to come from OAH's operating expenses budget, which would instead immediately impact OAH's use of independent contract hearing officers. In addition to OAH's in-house ALJs, OAH also maintains a pool of outside attorneys to essentially serve as *pro tem* ALJs, to assist OAH with conflict cases, caseload surges, and Alternative Dispute Resolution (mediation) requests. With the prior 3% holdback's impact on OAH's operating expense budget, OAH is down to current utilization of just a single independent contract hearing officer, and does not have the current operating expense bandwidth to assign anything but minor matters to that one independent contract hearing officer. A further reduction of 1% or 2% will all but eliminate OAH's ability to utilize any independent contract hearing officers, creating significant conflict and caseload surge issues as circumstances may potentially arise – potentially impairing ALJs' ability to timely hear contested cases, as well as delay the timely issuance of a decision. This would also have other adverse operational impacts on OAH - Idaho's independent administrative judiciary - as discussed below.

- **Identity when affected programs were added to the budget.**

OAH's current appropriation does not include any specific individual programs separate and apart from OAH's overall personnel cost and operating expense budgetary components, which are funded through a combination of SWCAP and General Fund dollars. Additionally, unlike the judiciary and other Idaho agencies, OAH does **not** charge citizens and businesses appearing before it any kind of fees for OAH's services, and, as such, OAH does not have the ability to 'backfill' loss of operating expense budget with fee-dollars.

- **Identify if an essential service is affected.**

In addition to loss of independent contract hearing officer services, additional budget reductions potentially impair essential services provided to the public, and Idaho's agencies, by OAH.

First, where mandated by statute/regulation or otherwise dictated by party requests or needs in an administrative contested case proceeding, OAH ALJs travel throughout the state during the year to conduct in-person administrative contested case hearings. As OAH maintains only a single central office in Boise, traveling to hearings necessitates the expenditure of not only travel costs, but also space rentals for the hearing to be held, which hearings may range in size from a single citizen-petitioner to a public hearing of hundreds of people. The vast majority of OAH's in-person hearings are outside of Ada County. For remote proceedings, OAH extensively uses Zoom (via paid subscription). Because OAH has a very high volume of cases involving self-represented individuals, individuals in rural/low tech areas, as well as elderly/incarcerated populations, OAH also uses teleconferencing/recording software (Sonexis, also via paid subscription) to ensure and satisfy access-to-administrative-courts obligations.

Additionally, hearings conducted by OAH are required, by law, to be recorded (I.C. sec. 67-5242(2)(d)), for which a transcript may also be generated (id.) (and, practically speaking, has to be generated in any case that goes up to District Court for review). These transcripts have to be certified, rather than less-than-accurate voice-to-text transcripts (which also are no good for live hearings, as they cannot identify between individual speakers). In-person proceedings - especially large public hearings - require a court reporter, given the technical challenges of recording in the hearing spaces utilized by OAH (OAH does not currently have dedicated courtroom spaces, and as such, OAH does not have courtroom tech that allows us to replicate the kind of recordings that courts do). Court reporting services have broadly increased in price, and can cost up to ~\$2,000/day a day. OAH has been developing a long-term plan to add an additional Deputy Clerk to in-house transcript preparations (even potentially as a service for other agencies) at an anticipated dramatic cost savings for the State, but OAH would need to add an additional FTP and purchase transcript-preparation software - which isn't financially feasible, either currently or with further operating expense reductions. Thus, a further budget reduction may impact OAH's ability to generate full, complete, and accurate recordings and transcripts, as OAH both relies on software for its recordings, and, due to staffing limitations, relies on outside court reporting services to generate transcripts (OAH has the ability to shift at least a portion of the cost to the assigning agency, but OAH ultimately remains responsible for the cost as the requesting entity, and has borne significant transcript costs in the past).

In short, impairment of OAH's ALJs' ability to travel and/or utilize needed conferencing/recording software may require citizens to travel to Boise for in-person hearings, or potentially utilize technology that they may not have access to (either due to their rural location, lack of resources, or unfamiliarity with), all of which would impact the public's ability to access OAH's services as the State's administrative law judiciary.

- **Identify efficiencies.**

OAH's has previously identified and implemented efficiencies which preserve taxpayer dollars but also which do not degrade services to the public and Idaho's agencies. OAH has implemented cost saving measures from the outset of its creation in 2022, all of which are designed to preserve taxpayer dollars but also which do not degrade services to the public and Idaho's agencies. For example, OAH has: 1) extensively utilized the State's in-house surplus property system (both taking and giving), 2) delayed needed hardware replacements, 3) utilized less-than-ideal software options in lieu of a robust case management system akin to iCourt/ECF, 4) utilized (free) UI Law students with externships and pro bono opportunities as clerks in lieu of paid interns/term clerks, 5) delayed requests for construction of dedicated courtroom space, 6) delayed lease of space in other non-Ada parts of the state for a satellite office(s); 7) minimized hearing space/court reporter costs whenever possible, 8) limited use of outside lawyers for agency assistance (as OAH is generally authorized to utilize outside counsel in lieu of the Attorney General's Office, Idaho Code sec. 67-1406), etc. Thus, OAH's efficiencies and cost savings are also reflected in the expenses OAH has not made, to avoid creating long-term budgetary obligations before having adequate budgetary bandwidth to do so.

Compared to similar “central panel” agencies (independent agencies which house administrative law judges) in other states, Idaho’s OAH stretches all available resources as far as possible, having both the lowest staff-to-ALJ and dollars-to-ALJ ratios of any comparable state in the nation:

<u>State</u>	<u>Annual Budget</u>	<u>ALJs</u>	<u>Staff</u>	<u>\$/ALJ</u>
<b>Idaho Office of Administrative Hearings</b>	<b>\$1,578,200</b>	<b>6</b>	<b>3</b>	<b>\$263,033</b>
Kansas Office of Administrative Hearings	\$2,164,667	7	7	\$309,238
Missouri Office of Administrative Hearings	\$1,694,277	5	13.5	\$338,855
Wyoming Office of Administrative Hearings	\$2,339,787	6	6	\$389,965
S. Carolina Administrative Law Court	\$7,110,257	6	44	\$1,185,043

OAH has continually sought to increase efficiencies to reduce burden on ALJs and staff while maintaining necessary services to the public and Idaho’s agencies, and to date, has implemented each identified efficiency, including, for example, consolidation of proceedings when appropriate, shifting of job responsibilities (as mentioned above, requiring the executive team to carry full caseloads in addition to their administrative duties), pairing work-travel with pre-planned personal travel to reduce agency-associated travel costs, and identifying only the most cost-effective case support software necessary to maintain successful operations.

Total: **\$ (16,300)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
460	SGAH		10000	-	\$ -	\$ (16,300)	\$ -	\$ -	\$ (16,300)	n/a	n/a	See attachment.

Total: **\$ (32,600)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
460	SGAH		10000	#	\$ -	\$ (32,600)	\$ -	\$ -	\$ (32,600)	n/a	n/a	See attachment.











DATE: January 29, 2026

TO: Senator Scott Grow, JFAC Co-Chair  
Representative Josh Tanner, JFAC Co-Chair  
JFAC Committee Members

FROM: Christine Starr, COPP Executive Director

CC: Keith Bybee, LSO Budget & Policy Division Manager  
Noah Peterson, LSO Budget & Policy Analyst  
Carson Tester, Governor's Office Policy Analyst  
Lori Wolff, DFM Administrator  
Adam Jarvis, DFM Senior Financial Analyst  
Daniel Hansen, IDOC Financial Officer

RE: Additional Budget Reduction Plans for FY 2026 and FY 2027

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The Idaho Commission of Pardons & Parole (COPP) supports and has implemented the permanent 3% budget reduction ordered by Governor Little. To achieve a 3% reduction of \$130,000, the Agency:

1. Reverted \$60,500 from Personnel/CEC
2. Reverted \$69,600 from Operating

COPP made the reversions:

1. By holding positions open as long as possible when they were vacated for retirement, promotion, or resignation.
2. Using personnel savings gained through failed employment searches due to a lack of competitive wages.
3. By not allowing overtime without Executive Director approval.
4. By cutting back on office expenses such as replacement equipment, supplies, etc.
5. By evaluating contracts and making reductions (example – reducing shredding services)
6. By limiting travel.
7. By evaluating the necessity of certain out-of-state transports.

**A. Additional cuts to the COPP budget will require furloughs and/or a reduction in force because the Agency has already cut the operating budget as far as it can.**

1. Roughly 81% of COPP's budget is personnel. COPP only has 37 staff to fulfill all the process requirements of facilitating almost 7,000 hearings a year, and to ensure that the Agency complies with required statutory obligations. This matters for a few reasons:
  - a. COPP has multiple statutory time frames the Agency is required to meet with respect to parole and revocation hearings.
  - b. When COPP does not meet those statutory time frames it opens the State up to litigation.
  - c. Importantly, it also means that the State incurs unnecessary incarceration costs.



2. COPP has already made significant cuts to the operating budget and is also dealing with a significant increase in the cost of out-of-state transports. Pursuant to the *Interstate Compact*, when a person violates their parole, COPP must transport them back to Idaho. In FY26, transport costs have increased 81.7% over the same period of time in FY25. COPP has already spent more than \$70,000 in extradition costs alone and there are still five months left in FY26. There is dedicated funding up to \$70,700 for this purpose, but all costs over that amount impact the general fund and COPP has already spent \$137,500. It is not anticipated that transports will slow down or that costs will decrease.
3. COPP has already obligated FY26 operating funds to pay for the Agency's move to a new location. The Agency's move was mapped out utilizing the current budget allocation and multiple steps were taken to ensure that it could be accomplished within the confines of the budget allocation. COPP is under contractual obligation and an inability to complete the contract could result in litigation.

**B. An additional 1% decrease (\$43,600) to COPP's budget will require COPP to furlough all staff for five days. As a result of the furlough, the State will incur \$532,800 in incarceration costs.**

1. Furloughing all positions will reduce the number of parole and violation hearings completed. Resulting in longer inmate housing stays. This will result in a greater burden on the prison system, which is already over the maximum population occupancies, which will lead to more inmates in county jails and out of state prisons.
2. If COPP staff are furloughed for five days, there will be 102 Parole Hearing Investigator (PHI) reports/hearings that will not be completed in that time period. On average, each of COPP's 12 PHIs completes 1.7 reports per day.
  - a.  $12 \times 1.7 = 20.4$  reports per furlough day not completed.
  - b.  $20.4 \times 5 = 102$  reports/hearings not completed.
  - c. The Commission's average grant rate for first-time parole applications is 65.5%. That means roughly 67 people who could have been released to the community will remain incarcerated at a cost of \$5,695 dollars per day ( $67 \times \$85$ ).
  - d. It will take a minimum of 90 days to make up the reports and to get the individuals on the hearing calendar. The State will pay \$512,550 in incarceration costs for individuals who could be out in the community ( $\$5,695 \times 90 = \$512,550$ ).
3. There will be 18 Violation Hearings that will not be prepped/completed during the five days of furlough.
  - a. On average 17% of Violation Hearings result in reinstatement. That means three individuals would likely be released from custody. Having those three individuals remain in custody due to COPP's inability to timely process their cases will cost the State \$20,250.
    - i. Three parole violators housed in a county jail costs the State \$225 a day  
 $3 \times \$75 = \$225$  a day
    - ii. It will be roughly 90 days before those cases can be made up and put on the hearing calendar at a cost to the State of \$20,250.  
 $\$225 \times 90 = \$20,250$
  - b.  $\$20,250$  (PV related incarceration) +  $\$512,550$  (PH related incarceration) =  $\$532,800$



**C. Delays in processing parole violations puts the State at risk of litigation.**

1. Unlike Parole Hearings, due process rights attach to Violation Hearings. There are several tight statutory turn-around times that COPP is required to comply with:
  - a. Idaho Code § 20-1008(1) & IDAPA 50.01.01.06.ii  
Requires that a parolee who has been alleged to have violated parole to have a hearing *within 30 days* of being served with the violation paperwork.
  - b. Idaho Code § 20-1009  
Requires violation paperwork to be served *within 15 calendar days* of arrest on the PV warrant.
  - c. Idaho Code § 20-1010 & IDAPA 50.01.01.06.d  
Requires that a decision on the parole violation(s) be rendered *within 20 days*.
  - d. IDAPA 50.01.01.250.02.iii  
Requires that an initial Parole Hearing be set *6 months prior* to the incarcerated individual's parole eligibility date.

**D. An additional 2% decrease (\$87,100) in COPP's budget will require the Agency to cut a PHI position. As a result of the position cut, the State will incur roughly \$620,500 in incarceration costs.**

1. PHI's process roughly 30 parole reports a month.
  - a. The Commission's average grant rate for first-time parole applications is 65.5%.
  - b. That means without the PHI, roughly 20 people who could have been released to the community will remain incarcerated at a cost of \$1,700 a day (\$85 x 20).
  - c.  $\$1,700 \times 365 = \$620,500$
2. Within a month and a half (46 days), the State will have paid almost as much to incarcerate those individuals as the yearly benefited salary of one PHI position.
3. The estimate of \$620,500 is low given that there will be 360 reports not completed in a year that would result in 239 releases if the grant rate remains at 65.5%. The number accounts for current staff taking on more work.

**E. Staff furloughs and/or cutting a PHI position will result in low agency morale and further exacerbate an already difficult recruiting and retention environment.**

COPP Parole Hearing Investigators (PHIs) and Violation Hearing Officers (VHOs) make on average between \$10-\$15 less than other similarly situated investigators in the state. Furloughs and/or cutting a PHI position will cause staff who are already taxed and working at full capacity to take on additional work in order to meet statutory requirements. This will result in low morale, burn-out, and very likely additional retention issues for the Agency. Each time the agency loses a PHI it takes at least three months to get a new one hired (if the search is successful) and at least six months to get the new PHI up and running at a level that provides relief to staff.

								Total:				
								\$	(43,600)			
Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
232	CPPA		10000		\$ (43,600)				\$ (43,600)	Agency operations and statutory	N/A	<p><b>A. Additional cuts to the COPP budget will require furloughs and/or a reduction in force because the Agency has already cut the operating budget as far as it can.</b></p> <ol style="list-style-type: none"> <li>Roughly 81% of COPP's budget is personnel. COPP only has 37 staff to fulfill all the process requirements of facilitating almost 7,000 hearings a year, and to ensure that the Agency complies with required statutory obligations. This matters for a few reasons: <ol style="list-style-type: none"> <li>COPP has multiple statutory time frames the Agency is required to meet with respect to parole and revocation hearings.</li> <li>When COPP does not meet those statutory time frames it opens the State up to litigation.</li> <li>Importantly, it also means that the State incurs unnecessary incarceration costs.</li> </ol> </li> <li>COPP has already made significant cuts to the operating budget and is also dealing with a significant increase in the cost of out-of-state transports. Pursuant to the <i>Interstate Compact</i>, when a person violates their parole, COPP must transport them back to Idaho. In FY26, transport costs have increased 81.7% over the same period of time in FY25. COPP has already spent more than \$70,000 in extradition costs alone and there are still five months left in FY26. There is dedicated funding up to \$70,700 for this purpose, but all costs over that amount impact the general fund and COPP has already spent \$137,500. It is not anticipated that transports will slow down or that costs will decrease.</li> <li>COPP has already obligated FY26 operating funds to pay for the Agency's move to a new location. The Agency's move was mapped out utilizing the current budget allocation and multiple steps were taken to ensure that it could be accomplished within the confines of the budget allocation. COPP is under contractual obligation and an inability to complete the contract could result in litigation.</li> </ol> <p><b>B. An additional 1% decrease (\$43,600) to COPP's budget will require COPP to furlough all staff for five days. As a result of the furlough, the State will incur \$532,800 in incarceration costs.</b></p> <ol style="list-style-type: none"> <li>Furloughing all positions will reduce the number of parole and violation hearings completed. Resulting in longer inmate housing stays. This will result in a greater burden on the prison system, which is already over the maximum population occupancies, which will lead to more inmates in county jails and out of state prisons.</li> <li>If COPP staff are furloughed for five days, there will be 102 Parole Hearing Investigator (PHI) reports/hearings that will not be completed in that time period. On average, each of COPP's 12 PHIs completes 1.7 reports per day. <ol style="list-style-type: none"> <li><math>12 \times 1.7 = 20.4</math> reports per furlough day not completed.</li> <li><math>20.4 \times 5 = 102</math> reports/hearings not completed.</li> <li>The Commission's average grant rate for first-time parole applications is 65.5%. That means roughly 67 people who could have been released to the community will remain incarcerated at a cost of \$5,695 dollars per day (<math>67 \times \\$85</math>).</li> <li>It will take a minimum of 90 days to make up the reports and to get the individuals on the hearing calendar. The State will pay \$512,550 in incarceration costs for individuals who could be out in the community (<math>\\$5,695 \times 90 = \\$512,550</math>).</li> </ol> </li> <li>There will be 18 Violation Hearings that will not be prepped/completed during the five days of furlough. <ol style="list-style-type: none"> <li>On average 17% of Violation Hearings result in reinstatement. That means three individuals would likely be released from custody. Having those three individuals remain in custody due to COPP's inability to timely process their cases will cost the State \$20,250. <ol style="list-style-type: none"> <li>Three parole violators housed in a county jail costs the State \$225 a day <math>3 \times \\$75 = \\$225</math> a day</li> <li>It will be roughly 90 days before those cases can be made up and put on the hearing calendar at a cost to the State of \$20,250. <math>\\$225 \times 90 = \\$20,250</math></li> </ol> </li> <li><math>\\$20,250</math> (PV related incarceration) + <math>\\$512,550</math> (PH related incarceration) = \$532,800</li> </ol> </li> </ol> <p><b>C. Delays in processing parole violations puts the State at risk of litigation.</b></p> <ol style="list-style-type: none"> <li>Unlike Parole Hearings, due process rights attach to Violation Hearings. There are several tight statutory turn-around times that COPP is required to comply with: <ol style="list-style-type: none"> <li>Idaho Code § 20-1008(1) &amp; IDAPA 50.01.01.06.ii Requires that a parolee who has been alleged to have violated parole to have a hearing <i>within 30 days</i> of being served with the violation paperwork.</li> <li>Idaho Code § 20-1009 Requires violation paperwork to be served <i>within 15 calendar days</i> of arrest on the PV warrant.</li> <li>Idaho Code § 20-1010 &amp; IDAPA 50.01.01.06.d Requires that a decision on the parole violation(s) be rendered <i>within 20 days</i>.</li> <li>IDAPA 50.01.01.250.02.iii Requires that an initial Parole Hearing be set <i>6 months prior</i> to the incarcerated individual's parole eligibility date.</li> </ol> </li> </ol> <p><b>D. Staff furloughs and/or cutting a PHI position will result in low agency morale and further exacerbate an already difficult recruiting and retention environment.</b></p> <p>COPP Parole Hearing Investigators (PHIs) and Violation Hearing Officers (VHOs) make on average between \$10-\$15 less than other similarly situated investigators in the state. Furloughs and/or cutting a PHI position will cause staff who are already taxed and working at full capacity to take on additional work in order to meet statutory requirements. This will result in low morale, burn-out, and very likely additional retention issues for the Agency. Each time the agency loses a PHI it takes at least three months to get a new one hired (if the search is successful) and at least six months to get the new PHI up and running at a level that provides relief to staff.</p>

Total: <b>\$ (87,100)</b>										When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	
232	CPPA		10000	(1.00)	\$ (87,100)				\$ (87,100)	Agency operations and statutory	N/A
<p><b>A. Additional cuts to the COPP budget will require furloughs and/or a reduction in force because the Agency has already cut the operating budget as far as it can.</b></p> <ol style="list-style-type: none"> <li>Roughly 81% of COPP's budget is personnel. COPP only has 37 staff to fulfill all the process requirements of facilitating almost 7,000 hearings a year, and to ensure that the Agency complies with required statutory obligations. This matters for a few reasons: <ol style="list-style-type: none"> <li>COPP has multiple statutory time frames the Agency is required to meet with respect to parole and revocation hearings.</li> <li>When COPP does not meet those statutory time frames it opens the State up to litigation.</li> <li>Importantly, it also means that the State incurs unnecessary incarceration costs.</li> </ol> </li> <li>COPP has already made significant cuts to the operating budget and is also dealing with a significant increase in the cost of out-of-state transports. Pursuant to the <i>Interstate Compact</i>, when a person violates their parole, COPP must transport them back to Idaho. In FY26, transport costs have increased 81.7% over the same period of time in FY25. COPP has already spent more than \$70,000 in extradition costs alone and there are still five months left in FY26. There is dedicated funding up to \$70,700 for this purpose, but all costs over that amount impact the general fund and COPP has already spent \$137,500. It is not anticipated that transports will slow down or that costs will decrease.</li> <li>COPP has already obligated FY26 operating funds to pay for the Agency's move to a new location. The Agency's move was mapped out utilizing the current budget allocation and multiple steps were taken to ensure that it could be accomplished within the confines of the budget allocation. COPP is under contractual obligation and an inability to complete the contract could result in litigation.</li> </ol> <p><b>B. Delays in processing parole violations puts the State at risk of litigation.</b></p> <ol style="list-style-type: none"> <li>Unlike Parole Hearings, due process rights attach to Violation Hearings. There are several tight statutory turn-around times that COPP is required to comply with: <ol style="list-style-type: none"> <li>Idaho Code § 20-1008(1) &amp; IDAPA 50.01.01.06.ii Requires that a parolee who has been alleged to have violated parole to have a hearing <i>within 30 days</i> of being served with the violation paperwork.</li> <li>Idaho Code § 20-1009 Requires violation paperwork to be served <i>within 15 calendar days</i> of arrest on the PV warrant.</li> <li>Idaho Code § 20-1010 &amp; IDAPA 50.01.01.06.d Requires that a decision on the parole violation(s) be rendered <i>within 20 days</i>.</li> <li>IDAPA 50.01.01.250.02.iii Requires that an initial Parole Hearing be set <i>6 months prior</i> to the incarcerated individual's parole eligibility date.</li> </ol> </li> </ol> <p><b>C. An additional 2% decrease (\$87,100) in COPP's budget will require the Agency to cut a PHI position. As a result of the position cut, the State will incur roughly \$620,500 in incarceration costs.</b></p> <ol style="list-style-type: none"> <li>PHI's process roughly 30 parole reports a month. <ol style="list-style-type: none"> <li>The Commission's average grant rate for first-time parole applications is 65.5%.</li> <li>That means without the PHI, roughly 20 people who could have been released to the community will remain incarcerated at a cost of \$1,700 a day (\$85 x 20).</li> <li>\$1,700 x 365 = \$620,500</li> </ol> </li> <li>Within a month and a half (46 days), the State will have paid almost as much to incarcerate those individuals as the yearly benefited salary of one PHI position.</li> <li>The estimate of \$620,500 is low given that there will be 360 reports not completed in a year that would result in 239 releases if the grant rate remains at 65.5%. The number accounts for current staff taking on more work.</li> </ol> <p><b>D. Staff furloughs and/or cutting a PHI position will result in low agency morale and further exacerbate an already difficult recruiting and retention environment.</b></p> <p>COPP Parole Hearing Investigators (PHIs) and Violation Hearing Officers (VHOs) make on average between \$10-\$15 less than other similarly situated investigators in the state. Furloughs and/or cutting a PHI position will cause staff who are already taxed and working at full capacity to take on additional work in order to meet statutory requirements. This will result in low morale, burn-out, and very likely additional retention issues for the Agency. Each time the agency loses a PHI it takes at least three months to get a new one hired (if the search is successful) and at least six months to get the new PHI up and running at a level that provides relief to staff.</p>											

# 6-007r. FY 2026 Dept. of Admin Add'l 1%

Total: **\$ (28,000)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
200	ADAM		10000		\$ (28,000)				\$ (28,000)	Document Services - Postal	FY1975	Utilization of one time salary savings resulting from high turnover and vacancy rates, and the position identified for potential FY27 reduction.

# 6-007r. FY 2026 Dept. of Admin Add'l 2%

Total: **\$ (57,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
200	ADAM		10000		\$ (57,400)				\$ (57,400)	Document Services - Postal	FY1975	Utilization of one time salary savings resulting from high turnover and vacancy rates, and the position identified for potential FY27 reduction.



**STATE OF IDAHO**  
OFFICE OF THE ATTORNEY GENERAL  
**RAÚL R. LABRADOR**

January 30, 2026

**TO:** Joint Finance-Appropriations Committee

**FROM:** Robyn Lockett, Division Chief  
Administration & Budget Division  
Office of the Attorney General

**Budget Reduction Response: Our Office Yields a High Return on Your Investment**

You've asked state agencies to identify budget cuts of up to 2% on top of the 3% holdback already in place. We want to provide context on what the Attorney General's office delivers for its appropriation and what deeper cuts will mean operationally.

Our FY 2026 appropriation is just over \$35 million. Over the last three years, the office has recovered or settled \$242 million for Idaho taxpayers. This means for every dollar you spent on us, we have returned \$2.31, on average per year, to Idaho taxpayers.

Beyond financial recoveries, the Office of the Attorney General (OAG) has significantly expanded its scope of work while maintaining a relatively flat budget. This Attorney General created the Office of Solicitor General to handle appellate litigation, including arguments before the United States Supreme Court and Idaho Supreme Court, without requesting additional resources. This month, the Solicitor General argued before the U.S. Supreme Court. The OAG has also seen a substantial increase in litigation volume as state laws face legal challenges in both state and federal courts.

At the same time, the office has rebuilt the Internet Crimes Against Children Task Force (ICAC) into a national model that responds to tips within 24 hours, has increased arrests every year under this Attorney General, and conducts extensive community outreach and law enforcement training across the state. Other than statewide health insurance increases and the CEC, the office budget has been relatively flat over the last three years. In short, we're already doing more with less.

Further, nearly 89% of our budget is for personnel costs. Additional cuts will directly impact the attorneys and staff conducting this work. The office is already experiencing challenges with

competitive compensation. We recently interviewed an attorney from the state public defender's office who, if they accept, would already be taking a \$9,000 pay cut.

Additional cuts of this magnitude will require furloughs or workforce reductions. That means less capacity to handle the active litigation defending state laws, fewer attorneys available to recover funds for taxpayers, and reduced staffing for critical programs like ICAC. Budget reductions will potentially result in lost work days, greatly disadvantaging the Office, and consequently negatively impacting Idaho citizens.

**An additional 1% reduction, equivalent to an overall 4% decrease, of \$1,306,600 would mean 11 furlough days impacting our 227 FTP.**

**An additional 2% reduction, equivalent to an overall 5% decrease, of \$1,629,600, would mean 14 furlough days impacting our 227 FTP.**

Thank you for your continued partnership, please let me know if you have questions or would like additional information.

A handwritten signature in black ink that reads "R. Lockett". The signature is written in a cursive, slightly slanted style.

Robyn Lockett

**Idaho State Controller FY 2026 & FY 2027 Additional 1% / 2% Budget Reduction Plan**

	<u>1%</u>	<u>2%</u>
<b>SCAA - Division of Administration</b>		
Reductions		
Personnel Expense	\$0	\$0
Operating Expense	\$34,100	\$68,300
Impacted program(s)	Local Government Reporting & Transparency initiatives	
Date program(s) added to budget	FY 2021	
Essential service(s)	N	
<b>SCBA - Division of Statewide Accounting</b>		
Reductions		
Personnel Expense	\$0	\$0
Operating Expense	\$22,900	\$45,700
Impacted program(s)	State Annual Comprehensive Financial Report data compilation and reporting application	
Date program(s) added to budget	FY 1999	
Essential service(s)	Y	
<b>SCEA - Division of Enterprise Business Operations</b>		
Reductions		
Personnel Expense	\$0	\$0
Operating Expense	\$186,200	\$372,400
Impacted program(s)	Statewide budget development application support Luma agency support services contract	
Date program(s) added to budget	FY 2024	
Essential service(s)	Y	
<b>Total SCO 1% / 2% Reductions</b>	<b>\$243,200</b>	<b>\$486,400</b>

# 6-0041r. FY 2026 Aging Add'l 1%

Total: \$ (64,900)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
187	GVJA	OT	10000					\$ (64,900)	\$ (64,900)	Adult Protective Services and high risk caregiver program.	FY 2026	One-time reversion of Executive Carry Forward funding on contractual payments to Area Agencies on Aging.

# 6-0041r. FY 2026 Aging Add'l 2%

Total: **\$ (129,900)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
187	GVJA	OT	10000					\$ (129,900)	\$ (129,900)	Adult Protective Services and high risk caregiver program.	FY 2026	One-time reversion of Executive Carry Forward funding on contractual payments to Area Agencies on Aging.



IDAHO COMMISSION  
ON THE ARTS

## MEMORANDUM

**To:** Morgan Poloni, LSO Budget and Policy Analyst  
**From:** Laura Curry, Executive Director  
**Date:** January 28, 2026  
**Re:** 1% and 2% Reversion Impact: Arts

**Brad Little**  
GOVERNOR

### COMMISSIONERS

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**Laura von Boecklin Curry**  
Executive Director

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**Phone**  
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arts.idaho.gov

## BACKGROUND

In October 2025, our agency implemented an ongoing 3% reduction in General Fund expenditures in response to direction from the Division of Financial Management. Because the agency's budget was already lean, these reductions could not be absorbed through administrative efficiencies alone and instead required cuts to core programs and grant funding. As a result, the reductions directly affected both internal capacity and the level of services provided to Idahoans.

The impact of the reduction was compounded by the agency's use of federal funds from the National Endowment for the Arts, which require a 1:1 state match. The \$29,000 General Fund reversion triggered an equivalent loss of federal funds, resulting in a total \$58,000 reduction. This necessitated the reversion of two full-time positions: a Financial Technician and a Community Engagement Manager. It also reduced the agency's ability to advance statewide engagement and rural outreach goals identified in its strategic plan.

To meet reversion requirements, the agency also reduced grant and program funding. Trustee and Benefits funding was decreased by \$15,000, which, combined with lost federal match, resulted in a \$30,000 reduction in grant funds and the cancellation of quarterly grants affecting approximately 85 recipients statewide. Operations funding was similarly reduced, leading to limits on staff travel, a shift to virtual meetings, and adjustments to select programs to control costs while maintaining essential services.

## ADDITIONAL BUDGET REDUCTION PLANS FOR FY 2026 and FY 2027

On January 26, agencies received instruction from the JFAC Co-Chairs to develop additional budget reduction scenarios as part of ongoing efforts to balance the statewide budget for FY 2026 and FY 2027. The figures presented below reflect the requested 1% and 2% additional reductions, calculated from the FY 2026 original appropriation and in addition to the existing 3% Governor's holdback. Consistent with that direction, the estimates illustrate impacts by program and expenditure category, including effects on staffing, essential services, and operational efficiencies.

## FUNDING CATEGORY

For both FY 2026 and FY 2027, our agency would meet any required reversions through reductions in personnel costs. In FY 2026, these reductions would be absorbed through salary savings associated with positions that were unfilled at the start of the fiscal year. If additional reductions are required in FY 2027, the agency would need to temporarily vacate a position and restructure the role to align with reduced agency capacity resulting from cumulative budget reductions. Following are charts outlining the impact of potential reversions for each fiscal year:

## FISCAL YEAR 2026

Percentage	General Fund Reversion	Equivalent Federal Fund Reversion	Total Impact	Funding Category
Initial <b>3%</b>	29,112	29,112	58,224	Personnel, Operating, T&B
Additional <b>1%</b>	9,704	9,704	19,408	Personnel
Additional <b>2%</b>	19,408	19,408	38,816	Personnel

## FISCAL YEAR 2027

Percentage	General Fund Reversion	Equivalent Federal Fund Reversion	Total Impact	Funding Category
Additional <b>1%</b>	9,704	9,704	19,408	Personnel
Additional <b>2%</b>	19,408	19,408	38,816	Personnel

# 6-0071r. FY 2026 Commission on the Arts Add'l 1%

Total: \$ (9,700)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
196	GVIA		10000		\$ (9,700)				\$ (9,700)			See attached

# 6-0071r. FY 2026 Commission on the Arts Add'l 2%

Total: **\$ (19,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
196	GVIA		10000		\$ (19,400)				\$ (19,400)			See attached



341 W. Washington Street  
Boise, ID 83702  
(208) 334-3220 or  
1-800-542-8688  
Fax: (208) 334-2963

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*Beth Cunningham, Administrator*

**To:** Brooke Dupree & Amanda Harper

**From:** Beth Cunningham, Administrator, ICBVI

**Date:** January 29, 2026

**Subject:** FY 2026 & FY 2027 Budget Reduction Plans—Additional 1% and 2%

### **Overview**

Per JFAC's directive, we submit plans reflecting total reductions of \$72,400 (4%) and \$90,700 (5%) in FY 2026, calculated against the FY 2026 original appropriation, in addition to the 3% Governor's holdback (\$54,100) and the FY 2027 budget submission.

### **Workforce Impact**

No RIFs or furloughs are anticipated under either scenario. We will hold vacant positions, attempt to reduce temp/contracted services, and prioritize discretionary training. One-time (OT) salary savings will be used in FY26.

### **Essential Services**

FY26: Core client services will remain intact for FY26. Potential impacts include delays to the budgeted OITS equipment refresh.

FY27: Core client services impacted include and reduction in number of participants served in Sight Restoration (SR) and a reduction in services provided for Vocational Rehabilitation (VR) clients (see attached for details). With a 2% reduction we would have a reduction in travel to regional offices for in-person oversight, training, and guidance.

### **Efficiencies**

This includes virtual delivery, procurement timing, prioritization of high-need issues, travel/training controls, and eligible reimbursement maximization.

### **Attachment**

Excel workbook – Scenario's 1% & Scenario's 2%

# 6-0053r. FY 2026 Commission for the Blind and Visually Impaired Add'l 1%

Total: \$ (18,300)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
189	GVLA	OT	10000	-	\$ (18,300)				\$ (18,300)	Vocational Rehabilitation (VR)	1967	Salary savings from RSC retiring and the time the position was vacant.

# 6-0053r. FY 2026 Commission for the Blind and Visually Impaired Add'l 2%

Total: \$ (36,600)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
189	GVLA	OT	10000	-	\$ (20,000)				\$ (20,000)	Vocational Rehabilitation (VR)		1967 Salary savings from RSC retiring and the time the position was vacant.
189	GVLA	OT	10000	-			\$ (16,600)		\$ (16,600)	All progams		2026 Reduction in amount spent on recommendation from OITS for hardware



**Idaho Office of Drug Policy**  
450 W State St  
P.O. Box 83720  
Boise, ID 83720

Salary savings generated from vacant positions are being reverted at this time. While these savings reflect short-term efficiencies, continued reversion could eventually have a negative impact on General Fund personnel costs. Specifically, if the Governor and Legislature appoint a Director for the Office of Drug Policy, the resulting salary and benefit obligations would eliminate current vacancy savings and place additional pressure on personnel expenditures. Over time, this could reduce staffing flexibility and limit the ability to absorb future personnel costs within the General Fund.

# 6-0059r. FY 2026 Office of Drug Policy Add'l 1%

Total: \$ (15,900)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
198	GVPD		10000	-	\$ (15,900)	\$ -	\$ -	\$ -	\$ (15,900)	N/A	N/A	Please see attached

# 6-0059r. FY 2026 Office of Drug Policy Add'l 2%

Total: \$ (19,900)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
198	GVDP		10000	-	\$ (19,900)	\$ -	\$ -	\$ -	\$ (19,900)	N/A	N/A	Please see attached

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**From:** Justin Collins <Justin.Collins@dfm.idaho.gov>  
**Sent:** Friday, January 30, 2026 12:02 PM  
**To:** Keith Bybee; Janica Bisharat  
**Cc:** Lori Wolff; Christopher Davis; Lauren Smyser; David Hahn  
**Subject:** DFM 1% & 2% Plan  
**Attachments:** DFM Holdback Plan.xlsx

The Division of Financial Management (DFM) currently operates with a lean staffing model that is closely aligned with its core statutory and operational responsibilities. Over multiple budget cycles, the office has absorbed increased workload, added reporting and compliance requirements, and greater analytical complexity without commensurate increases in staffing. Additionally, DFM has reduced 2 FTP in the current budget recommendation to comply with the 3% reduction. Compared to DFM's counterparts, the Legislative Services Office (LSO), operates with 17 budget FTPs to DFM's 9. The policy office of LSO has 15 compared to DFM's 3. In total, compared to other states similar in size, Idaho's budget and policy office, is one of the leanest in the country.

#### **FY26**

DFM has very tight operating and personnel budgets due to the reductions we have already made in the current year. The only option for savings in the current fiscal year would likely require furloughs due to our existing operating expenditure commitments.

- 1% - \$23.9K PC
- 2% - \$47.2K PC

#### **FY27:**

- 1% - \$23.9K OE
- 2% - \$47.2K OE

OE cuts would include:

- Cutting/renegotiating contracts
  - DFM is very efficient in this area already, so a cut in this area would mean elimination of necessary tools used to develop budgets. For example: (a) economic tools that strengthen the ability to forecast and collect data for the most accurate revenue projections; and (b) Federal Funds Information for States (FFIS) which helps states manage federal funds by analyzing the impact of federal actions on states—be it sequestration, budget enactment, new legislative proposals, or potential government shutdowns. These tools are extensively used by the executive and legislative branches to accurately and efficiently set budget and make policy decisions for the Idaho taxpayers.
- Limit IT Services
  - DFM, like all state agencies, already operate on limited IT services. Further cuts to IT services will lead to lower productivity, increased system downtime, and greater cybersecurity risk as maintenance and support are reduced. Such cuts will also lead to slower response times, limited tools, reduced innovation, minimizing efficiencies and growing technical debt. Lastly, IT cuts would likely lead to future increased IT needs and costs.

All potential options would impair compliance with Idaho code.

# 6-0073r. FY 2026 Division of Financial Management Add'l 1%

Total: \$ (23,900)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
180	GVCA	OT	10000		\$ (23,900)				\$ (23,900)			DFM has very tight operating and personnel budgets due to the reductions we have already made in the current year. The only option for savings in the current fiscal year would likely require furloughs due to our existing operating expenditure commitments.

# 6-0073r. FY 2026 Division of Financial Management Add'l 2%

Total: \$ (47,200)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
180	GVCA	OT	10000		\$ (47,200)				\$ (47,200)			DFM has very tight operating and personnel budgets due to the reductions we have already made in the current year. The only option for savings in the current fiscal year would likely require furloughs due to our existing operating expenditure commitments.

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**From:** Justin Collins <Justin.Collins@dfm.idaho.gov>  
**Sent:** Friday, January 30, 2026 1:05 PM  
**To:** Keith Bybee; Janica Bisharat  
**Cc:** Lori Wolff; Zach Hauge; Hayden Rogers; Christopher Davis; Lauren Smyser; David Hahn  
**Subject:** RE: Gov 1% & 2% Plan  
**Attachments:** Gov Holdback Plan.xlsx



**Justin Collins**

Deputy Administrator /  
State Financial Officer

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**From:** Justin Collins  
**Sent:** Friday, January 30, 2026 12:07 PM  
**To:** Keith Bybee <kbybee@lso.idaho.gov>; JBisharat@lso.idaho.gov  
**Cc:** Lori Wolff <lori.wolff@dfm.idaho.gov>; Zach Hauge <Zach.Hauge@gov.idaho.gov>; Hayden Rogers <Hayden.Rogers@gov.idaho.gov>; Christopher Davis <Christopher.Davis@dfm.idaho.gov>; Lauren Smyser <Lauren.Smyser@dfm.idaho.gov>; David Hahn <David.Hahn@dfm.idaho.gov>  
**Subject:** Gov 1% & 2% Plan

FY26  
Proposal

- 1% - \$35K Revert Partial Constituent Services Agreement (keep a contingency amount for any potential cost overruns on the project)
- 2% - \$65K Revert Contingency amount of Constituent Services Agreement (would risk not finishing the project if there are needed fixes/enhancements/changes that need to be made)

FY27  
Proposal

- 1% - \$30.2K PC
- 2% - \$60.7K PC

The Governor's office has already reduced their personnel costs in the current budget recommendation. An additional 1% or 2% decrease would require the Governor's office to lay off an existing staff member.

# 6-0079r. FY 2026 Executive Office of the Governor Add'l 1%

Total: \$ (35,000)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
181	GVAA	OT	10000			\$ (35,000)			\$ (35,000)			1% - \$35K Revert Partial Constituent Services Agreement (keep a contingency amount for any potential cost overruns on the project)

# 6-0079r. FY 2026 Executive Office of the Governor Add'l 2%

Total: \$ (65,000)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
181	GVAA	OT	10000			\$ (65,000)			\$ (65,000)			2% - \$65K Revert Contingency amount of Constituent Services Agreement (would risk not finishing the project if there are needed fixes/enhancements/changes that need to be made)

# 6-0091r. FY 2026 OITS Add'l 1%

Total: \$ (26,200)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
177	TEAB		10000			\$ (26,200)			\$ (26,200)	N/A	N/A	<p>This plan protects the personnel budget as all positions and labor hours are critical to fulfilling our mission, and it excludes reductions to critical line-item projects in progress as part of our combined FY 2026 and FY 2027 plan to sustain critical services during this challenging budget period.</p> <p>To fulfill this additional budget reduction, ITS would further reduce expenditures within the employee travel/training portion of our spending plan, which includes employee travel, employe development, and both individual and group memberships.</p> <p>69% of the ITS travel plan is for essential IT support of the statewide network, agency customers and necessary memberships. This includes on-site support of network and customers, deployment of computers and networking equipment, multi-partner cybersecurity drills, and required administrative travel. The other 31% is to ensure employees are current with skills and knowledge with constantly developing IT industry standards to reduce statewide risks of cyber threats and maintain statewide employee productivity. Funding reductions would be from the later 31% until prioritized funding becomes available. These additional reductions would increase risks of outdated critical knowledge and delayed customer support.</p> <p>Within this area, ITS also rents vehicles to provide necessary customer support given the limited number of vehicles in the fleet.</p> <p>For FY 2026, ITS has already placed a freeze on all non-essential travel (as described above) as we work through an internal FY 2026-2027 critical services plan to sustain the statewide network and manage risks. Any further reductions will limit resources to solve that critical services effort.</p>

# 6-0091r. FY 2026 OITS Add'l 2%

Total: **\$ (52,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
177	TEAB		10000			\$ (52,400)			\$ (52,400)	N/A	N/A	<p>This plan protects the personnel budget as all positions and labor hours are critical to fulfilling our mission, and it excludes reductions to critical line-item projects in progress as part of our combined FY 2026 and FY 2027 plan to sustain critical services during this challenging budget period.</p> <p>To fulfill this additional budget reduction, ITS would further reduce expenditures within the employee travel/training portion of our spending plan, which includes employee travel, employe development, and both individual and group memberships.</p> <p>69% of the ITS travel plan is for essential IT support of the statewide network, agency customers and necessary memberships. This includes on-site support of network and customers, deployment of computers and networking equipment, multi-partner cybersecurity drills, and required administrative travel. The other 31% is to ensure employees are current with skills and knowledge with constantly developing IT industry standards to reduce statewide risks of cyber threats and maintain statewide employee productivity. Funding reductions would be from the later 31% until prioritized funding becomes available. These additional reductions would increase risks of outdated critical knowledge and delayed customer support.</p> <p>Within this area, ITS also rents vehicles to provide necessary customer support given the limited number of vehicles in the fleet.</p> <p>For FY 2026, ITS has already placed a freeze on all non-essential travel (as described above) as we work through an internal FY 2026-2027 critical services plan to sustain the statewide network and manage risks. Any further reductions will limit resources to solve that critical services effort.</p>

# Species Conservation, Office of

# Budget Reduction, Add'l 1%

Total: **\$ (18,200)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
195	GVSC		10000			\$ (18,200)			\$ (18,200)	Terrestrial	FY 2014	General fund budget reductions will impact the Terrestrial program resulting in less stakeholder engagement. For FY26 the sage-grouse program has obligated the all of the general funding available through agreements. If the program needs to reduce 1 – 2% for FY26, the program will need to take away funding from projects that we have agreed to fund and are planned to be implemented before June. This would remove funding that is helping private landowners with sage-grouse habitat restoration or funding that has been identified to help the Rangeland Fire Protection Associations with personal protective equipment (PPE) and radios for communications when fighting wildfire.

# Species Conservation, Office of

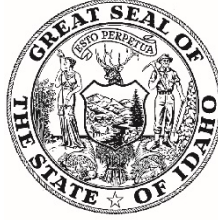
# Budget Reduction, Add'l 2%

Total: **\$ (36,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
195	GVSC		10000			\$ (36,400)			\$ (36,400)	Terrestrial	FY 2014	General fund budget reductions will impact the Terrestrial program resulting in less stakeholder engagement. For FY26 the sage-grouse program has obligated the all of the general funding available through agreements. If the program needs to reduce 1 – 2% for FY26, the program will need to take away funding from projects that we have agreed to fund and are planned to be implemented before June. This would remove funding that is helping private landowners with sage-grouse habitat restoration or funding that has been identified to help the Rangeland Fire Protection Associations with personal protective equipment (PPE) and radios for communications when fighting wildfire.

**BRAD LITTLE**  
GOVERNOR

**Wendi Secrist**  
Executive Director



**Deni Hoehne**  
Chair

**Sarah Griffin**  
Vice Chair

## WORKFORCE DEVELOPMENT COUNCIL

514 W. Jefferson Street, Suite 131, Boise, Idaho 83720

Date: January 30, 2026  
To: Brooke Dupree, Legislative Services Office  
From: Wendi Secrist, Executive Director  
Subject: Additional Budget Reductions

A handwritten signature in blue ink that reads "Wendi Secrist".

On behalf of the STEM Action Center, I've attached additional budget reduction ideas for FY26 and FY27 in excel as requested.

An additional 1% (\$33,500) cut to STEM Action Center's budget will be achieved through salary savings that we have confidence in. An additional 2% (\$67,000) cut will require us to reduce funding available to assist Idaho high school students in participating in regional and national science fairs as noted in the spreadsheet.

For FY27, the STEM Action Center general fund appropriation is eliminated as a line item. A separate line item then incorporates it into the Workforce Development Council's budget. The line item bringing the general fund appropriation into the WDC provides a reduction of 2.0 FTP and just over 10% (\$333,900) of the FY2026 appropriation to the STEM Action Center.

# 6-0127r. FY 2026 STEM Action Center Add'l 1%

Total: \$ (33,500)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
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179	GVST		10000		\$ (33,500)				\$ (33,500)	Salary Savings	FY 2023	
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This salary savings is a part of the additional 2.0 FTP that the STEM AC is planning to return via pending consolidation legislation with the Workforce Development Council. It is the maximum amount STEM AC can reduce without leaving the agency at risk of any uncertain payroll actions such as turnover, vacation payout, or overtime.

# 6-0127r. FY 2026 STEM Action Center Add'l 2%

Total: \$ (67,000)

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
179	GVST		10000		\$ (33,500)				\$ (33,500)	Salary Savings	FY 2023	This salary savings is a part of the 2.0 FTP that the STEM AC is planning to return via pending consolidation legislation with the Workforce Development Council. It is the maximum amount STEM AC can reduce without leaving the agency at risk of any uncertain payroll actions such as turnover, vacation payout, or overtime.
179	GVST		10000			\$ (33,500)			\$ (33,500)	Idaho Science and Engineering Fairs (Rural Student Participation and Attendance)	FY 2021	Every Spring we have hosted regional and national Science Fairs (Phoenix - May 2026) - venues vary throughout the regions. Students and coaches need assistance to travel to various venues to include: travel (transportation, lodging, flights, per diem), shipping, materials, uniforms, and other necessary equipment.

# Wolf Depredation Control Board, Add 1% Reduction

Total: **\$ (3,900)**

Agency Number	Approp Unit	O T	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
197	GVWB		10000			\$ (3,900)			\$ (3,900)	Wolf Board Operations	2015	This reduction would directly decrease funding available for wolf management operations, including depredation inspections by U.S. Wildlife Services and Board-supported projects, and would limit the Board's ability to maintain readiness and respond during periods of increased depredation, resulting in fewer inspections, longer response times, and delayed management actions when impacts to livestock and wildlife are highest.

# Wolf Depredation Control Board, Add 2% Reduction

Total: **\$ (7,800)**

Agency Number	Approp Unit	O T	Fund	FT P	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
197	GVWB		10000			\$ (7,800)			\$ (7,800)	Wolf Board Operations	2015	This reduction would directly decrease funding available for wolf management operations, including depredation inspections by U.S. Wildlife Services and Board-supported projects, and would limit the Board's ability to maintain readiness and respond during periods of increased depredation, resulting in fewer inspections, longer response times, and delayed management actions when impacts to livestock and wildlife are highest.



SCOTT BEDKE

LIEUTENANT GOVERNOR

The imposition of the additional 1% and 2% holdbacks would have a significant impact on this agency due to its extremely small size and limited operating budget. As a result, there are no excess funds or non-essential expenditures that could absorb these reductions. The only viable source to meet the holdback requirement would be personnel funding, any reduction in personnel funding would necessitate furloughs. The agency does not have the staffing redundancy necessary to redistribute duties without compromising performance or legal compliance.

# Lieutenant Governor, Office of the Add'l 1%

Total: **\$ (3,400)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
120	LGAA		10000	-	\$ (3,400)	\$ -	\$ -	\$ -	\$ (3,400)	N/A	N/A	Please see attached

# Lieutenant Governor, Office of the Add'l 2%

Total: **\$ (6,900)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
120	LGAA		10000	-	\$ (6,900)	\$ -			\$ (6,900)	N/A	N/A	Please see attached



## MEMORANDUM – ADDITIONAL BUDGET REDUCTION PLANS FOR FY 2026 &amp; FY 2027

TO: JFAC CO-CHAIRS

FROM: TERRI KONDEFF, DIRECTOR, LSO

**FY 2026 and FY 2027, 3% Reductions**

The Legislative Services Office is participating in the 3% ongoing reductions in FY 2026 and FY 2027, by reducing Operating Expenditures and Personnel Costs. The reduction in Operating Expenditures comes from limiting or eliminating in-state and out-of-state travel, lodging, registrations, and subscriptions, and by possibly deferring some hardware replacements. Personnel Cost savings are being achieved by delaying hiring of vacant positions and hiring fewer session staff. Efficiencies may also be achieved by using AI for closed captioning of committee meetings.

**Additional 1% and 2% Reductions per January 26, 2026, memo:**

- *Identify how budget reductions will affect the current workforce.*

The reductions to achieve an additional 1% or 2% in either FY 2026 or FY 2027 will be primarily from Personnel Costs (see attached spreadsheet). Options include:

1. Keeping positions vacant for as long as practical,
2. Rehiring at entry level, or
3. Furloughing staff (each 1% reduction is equal to three days of unpaid leave for all staff).

- *Affected programs and essential services.*

The affected programs or services would depend on which positions, if any, become vacant and for how long. The impact could include increased time for bill drafting, budget analysis, IT support, and financial audits. Reducing session staff beyond the current year could further reduce the Legislative Information Center hours available to the public. Regardless, LSO will strive to maintain the services authorized by Title 67, Chapter 7, Idaho Code.

- *Identify efficiencies.*

LSO routinely seeks staffing efficiencies, best prices for our purchases, and uses internal resources for professional development. We also use AI closed captioning services for committee meetings, have implemented AI methods for research, and use volunteer docents for Capitol tours. We will continue to seek efficiencies as we work through each fiscal year.

**Additonal 1% and 2%**  
**1/30/2026**  
**Legislative Services Office**

**FY 2026**

			Original Approp.	Holdback	% of Orig. Approp.
<b>3%</b>	PC		\$7,993,300	\$100,000	1.08%
	OE		\$1,269,500	\$177,900	1.92%
			<u>\$9,262,800</u>	<u>\$277,900</u>	<u>3.0%</u>
<b>Addl. 1%</b>	PC			\$32,800	0.4%
	OE			\$59,800	0.6%
				<u>\$92,600</u>	<u>1.0%</u>
<b>Addl. 1%</b>	PC			\$92,600	1.0%
	OE			\$0	0.0%
				<u>\$92,600</u>	<u>1.0%</u>
<b>Total</b>		<u><b>5%</b></u>		<b>\$463,100</b>	<b>5%</b>

**FY 2027**

<b>Addl. 1%</b>	PC			\$92,600	1.0%
	OE			\$0	0.0%
				<u>\$92,600</u>	<u>1.0%</u>
<b>Addl. 1%</b>	PC			\$92,600	1.0%
	OE			\$0	0.0%
				<u>\$92,600</u>	<u>1.0%</u>
<b>Total</b>		<u><b>2%</b></u>		<b>\$185,200</b>	<b>2.0%</b>

PC is Personnel Costs  
 OE is Operating Expenditures



# Office of Performance Evaluations Idaho Legislature

**Ryan Langrill**  
Director

MEMORANDUM

January 27, 2026

## **Joint Legislative Oversight Committee**

### **Senators**

Melissa Wintrow, cochair  
C. Scott Grow  
Dave Lent  
James D. Ruchti

### **Representatives**

Jordan Redman, cochair  
Douglas T. Pickett  
Ilana Rubel  
Steve Berch

**To:** Keith Bybee, Division Manager  
Legislative Service Office, Budget and Policy Analysis

**From:** Ryan Langrill, Director, Office of Performance Evaluations

**Re:** JFAC budget reduction scenarios

Dear Mr. Bybee,

Enclosed are the Office of Performance Evaluations's proposed scenarios for an additional 1% and 2% budget reduction for Fiscal Years 2026 and 2027, as requested in the January 26th memorandum to agency directors. This memo identifies how the budget reductions would affect OPE's operations.

OPE consists of a single program, created by statute in 1995.

### **Fiscal Year 2026 reductions**

OPE proposes reductions of an additional \$11,300 in personnel spending authority for the 1% reduction scenario and \$22,600 in personnel spending authority for the 2% reduction scenario.

OPE experienced a departure of a Senior Evaluator in December. We are accruing salary savings while we are hiring a replacement, which we anticipate doing by March 1st. The entirety of both reduction scenarios would be accounted for by these salary savings.

With these salary savings, we will not need to reduce staff or impose furloughs and the reductions would not affect OPE's ability to complete program evaluations for the Legislature during the 2026 Legislative Session.

### **Fiscal Year 2027 reductions**

OPE has requested that the original 3% reduction come out of our operating spending authority, which represents a 45% decrease in our operating budget. These savings will come from reduced out-of-state travel, reduced use of consultants, eliminating a legal services subscription, and consolidating software.

Promoting confidence and accountability in state government





**Ryan Langrill**  
Director

**Joint Legislative  
Oversight  
Committee**

**Senators**

Melissa Wintrow, cochair  
C. Scott Grow  
Dave Lent  
James D. Ruchti

**Representatives**

Jordan Redman, cochair  
Douglas T. Pickett  
Ilana Rubel  
Steve Berch

OPE proposes a reduction of \$11,300 in personnel spending authority in the 1% reduction scenario and \$22,600 reduction in requested personnel spending authority for the 2% reduction scenario.

These savings will be generated by replacing a Senior Evaluator position with an Evaluator position. This decrease in salary and variable benefits would account for the entirety of the 1% reduction. Further savings would be generated by delaying planned professional advancement opportunities (i.e., promotions with increased responsibility) to reach the 2% reduction scenario.

Neither reduction would necessitate a reduction in force or furloughs.

Replacing a Senior Evaluator with an Evaluator, with the associated reduction in salary, will affect the quality of the candidates that OPE can recruit and, to a degree, affect the quality of the service OPE provides. Hiring at the Senior Evaluator level typically attracts candidates with graduate degrees and 5-10 years of professional experience. Hiring at the Evaluator level typically attracts candidates who are in graduate school or who have recently graduated but have no professional experience. This results in higher training burdens on existing staff and less productive work for the first several years of employment.

Delayed professional advancement opportunities—having two Principal Evaluators instead of the three we've had in the past—concentrates responsibility in a smaller number of senior staff. These staff must spend more of their time on training and other office responsibilities and less time conducting performance evaluations. Delayed advancement also increases the likelihood of turnover in these positions.

Please do not hesitate to reach out to me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Ryan Langrill".

Ryan Langrill

cc: Senator Melissa Wintrow and Representative Jordan Redman, cochairs, Joint Legislative Oversight Committee.

David Hahn, Principal Financial Management Analyst, Division of Financial Management

Promoting confidence and accountability in state government

**Budget Reduction Scenarios - Office of Performance Evaluations - Agency 104**

**Fiscal Year 2026**

	Personnel	Operating	Capital		Total	Total
<b>Original Appropriation</b>	<b>\$ 1,056,000.00</b>	<b>\$ 73,600.00</b>	<b>\$ -</b>		<b>\$ 1,129,600.00</b>	<b>100%</b>
Gov 3% Reduction	\$ (31,600.00)	\$ (2,300.00)	\$ -		\$ (33,900.00)	-3%
<b>Revised FY2026</b>	<b>\$ 1,024,400.00</b>	<b>\$ 71,300.00</b>	<b>\$ -</b>		<b>\$ 1,095,700.00</b>	<b>97%</b>
Additional 1% Reduction	\$ (11,300.00)	\$ -	\$ -		\$ (45,200.00)	-4%
<b>FY26 4% Reduction Scenario</b>	<b>\$ 1,013,100.00</b>	<b>\$ 71,300.00</b>	<b>\$ -</b>		<b>\$ 1,084,400.00</b>	<b>96%</b>
Additional 1% Reduction	\$ (11,300.00)	\$ -	\$ -		\$ (56,500.00)	-5%
<b>FY26 5% Reduction Scenario</b>	<b>\$ 1,001,800.00</b>	<b>\$ 71,300.00</b>	<b>\$ -</b>		<b>\$ 1,073,100.00</b>	<b>95%</b>

**Fiscal Year 2027**

	Personnel	Operating	Capital		Total	Total
<b>DU 11 Maintenance</b>	<b>\$ 1,071,500.00</b>	<b>\$ 74,700.00</b>	<b>\$ -</b>		<b>\$ 1,146,200.00</b>	<b>100%</b>
Gov 3% Reduction	\$ -	\$ (33,900.00)	\$ -		\$ (33,900.00)	-3%
<b>Revised FY2026</b>	<b>\$ 1,071,500.00</b>	<b>\$ 40,800.00</b>	<b>\$ -</b>		<b>\$ 1,112,300.00</b>	<b>97%</b>
Additional 1% Reduction	\$ (11,300.00)	\$ -	\$ -		\$ (45,200.00)	-4%
<b>FY26 4% Reduction Scenario</b>	<b>\$ 1,060,200.00</b>	<b>\$ 40,800.00</b>	<b>\$ -</b>		<b>\$ 1,101,000.00</b>	<b>96%</b>
Additional 1% Reduction	\$ (11,300.00)	\$ -	\$ -		\$ (56,500.00)	-5%
<b>FY26 5% Reduction Scenario</b>	<b>\$ 1,048,900.00</b>	<b>\$ 40,800.00</b>	<b>\$ -</b>		<b>\$ 1,089,700.00</b>	<b>95%</b>

# Board of Tax Appeals FY 2026 Reduction Plan

Total: **\$ (27,200)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
351	TAAE		10000			\$ (27,200)			\$ (27,200)	No specific program affected, just general operations.		The reductions will be applied against operating expenses, with a focus on funds typically reserved for temporary staffing needs. Temporary staffing is utilized during peak periods of appeal activity to support increased workload demands. A reduced operating budget would undoubtedly limit the agency's ability to obtain temporary staffing and may prevent it altogether. The practical effect would be delays in processing tax appeals and moving them through the appeals process, from docketing the appeals when they arrive, to issuing the final decisions. Importantly, the reductions could cause the agency to fail its statutory obligation under I.C. § 63-3809(4) to issue all final decisions in <i>ad valorem</i> appeals by May 1 of each year, which would be disruptive to county assessors setting property values for the next tax year while they await the BTA's final decision.

Total: **\$ (34,000)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
351	TAAE		10000			\$ (34,000)			\$ (34,000)	No specific program affected, just general operations.		The reductions will be applied against operating expenses, with a focus on funds typically reserved for temporary staffing needs. Temporary staffing is utilized during peak periods of appeal activity to support increased workload demands. A reduced operating budget would undoubtedly limit the agency's ability to obtain temporary staffing and may prevent it altogether. The practical effect would be delays in processing tax appeals and moving them through the appeals process, from docketing the appeals when they arrive, to issuing the final decisions. Importantly, the reductions could cause the agency to fail its statutory obligation under I.C. § 63-3809(4) to issue all final decisions in <i>ad valorem</i> appeals by May 1 of each year, which would be disruptive to county assessors setting property values for the next tax year while they await the BTA's final decision.

January 30, 2026

Senate Finance Committee, the Honorable Senator C. Scott Grow, Chair  
House Appropriations Committee, the Honorable Representative Josh Tanner, Chair

RE: Additional Holdbacks for FY26 and FY27

Thank you for asking us to share our information and analysis as they relate to the hard budget choices Idaho is facing. In short, additional budget reductions will adversely affect the state's General Fund revenue and our ability to serve taxpayers.

Enclosed you will find options for reducing the Tax Commission's budget further in FY26. We focused on one-time cuts to ensure as much continuity in operations as possible during our busiest time of year: tax season. What I can tell you is that a reduction in our tax season temporary workforce will reduce processing times and increase the likelihood we'll have to pay interest on delayed refunds. The majority of FY2026 funds are committed. As you are aware, just over 82% of our budget comes from the General Fund and the remainder comes from statutorily authorized tax collection activities. Excluding personnel costs, approximately 90% of those dollars are spent or encumbered at the beginning of each fiscal year on fixed costs.

For FY27, if we truly want to make material reductions to our budget, that limits our options to cutting personnel and programs that are responsible for tax collection activities. To evaluate these ongoing recommendations, please note that the Tax Commission collects roughly \$26.9 million in revenue per day. The tax season temporary workforce option will lead to an increase in tax return processing time by 18 to 24 weeks and increase the time to send refunds by 6 weeks, which is estimated to result in up to \$7 million dollars being paid out in refund interest. It will also reduce the level of service that can be provided to taxpayers, which means longer processing times for essentials like business permits and refunds. The elimination of Fast Collection Services will reduce revenue to the General Fund by roughly \$20-\$50 million.

Your consideration is greatly appreciated. Please let us know if we can provide further details.

Best regards,



**Jeff McCray** | Chairman

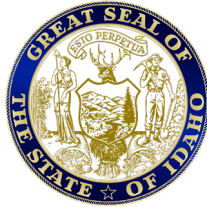
Idaho State Tax Commission

Total: **\$ (464,163)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
352	TAAC	OT	10000	-	\$(210,308)	\$ -	\$ -	\$ -	Revenue \$(210,308)	Processing	Fiscal Year 2024	Cap the tax drive temporary employee workforce at 10,000 hours. This reduces our regular tax drive workforce by 50%. It will save \$210,308, but will extend payment and refund processing by 12 to 18 weeks, resulting in interest payments from the General Fund. Based on last year's Comparative Statement of Receipts and Distributions, which shows \$673 million paid in refunds, \$336 million would be subject to interest, resulting in an estimated minimum of \$3.5 million in additional costs to the General Fund. (Idaho Code Section 63-3073, IDAPA 35.01.01.885) Forgo replacement items appropriated in FY26, e.g. laptops, monitors, and vehicles.
352	TAAA	OT	10000	-	#####	\$ -	\$ -	\$ -	\$(253,855)	All Programs	Fiscal Year 2026	

**Total: \$ (928,326)**

Agency Number	Approp Unit	OT	Fund	FTP	Personnel Costs	Operating Expense	Capital Outlay	Trustee and Benefit	Total	What program does this affect?	When was this program added to the budget?	Please add a very detailed description of the impact of these reductions.
352	TAAC	OT	10000	-	\$ (210,308)		\$ -	\$ -	\$ (210,308)	Revenue Processing	Fiscal Year 2024	Cap the tax drive temporary employee workforce at 10,000 hours. This reduces our regular tax drive workforce by 50%. It will save \$210,308, but will extend payment and refund processing by 12 to 18 weeks, resulting in interest payments from the General Fund. Based on last year's Comparative Statement of Receipts and Distributions, which shows \$673 million paid in refunds, \$336 million would be subject to interest, resulting in an estimated minimum of \$3.5 million in additional costs to the General Fund. (Idaho Code Section 63-3073, IDAPA 35.01.01.885) Forgo replacement items appropriated in FY26, e.g. laptops, monitors, vehicles.
352	TAAA	OT	10000	-		\$ (586,018)	\$ (132,000)	\$ -	\$ (718,018)	All Programs	Fiscal Year 2026	



**PHIL McGRANE**

IDAHO SECRETARY *OF* STATE

January 30, 2026

The Honorable C. Scott Grow, Co-Chair  
The Honorable Josh Tanner, Co-Chair  
Joint Finance and Appropriations Committee

Dear Co-Chairs Grow and Tanner,

I am writing in response to your request for information regarding potential impacts to services as the Joint Finance and Appropriations Committee considers additional budget reductions for FY 2026 and FY 2027.

Across the state, directors and staff are operating lean, intentional organizations while continuing to serve a rapidly growing state. I have great respect for the work my peers are doing to identify efficiencies, defer needs, and stretch limited resources. My intent in this response is to clearly explain the decisions made by the Secretary of State's Office, the unique structure and responsibilities of our office, and the ways in which we can responsibly contribute without undermining core services critical to Idaho's economy and elections.

**Governor Requested 3% Holdback**

I want to begin by directly addressing the most common question we have received: why the Office of the Secretary of State did not participate in the Governor's requested three percent holdback.

Governor Little's executive order appropriately asked constitutional officers to evaluate whether reductions could be made without impairing their ability to fulfill constitutional and statutory responsibilities. I took that request seriously and conducted a careful review of our staffing, operations, and contracts. Based on that review, I determined that a three percent holdback would directly impair our ability to carry out core functions at a time

when demand for our services, both in business filings and elections administration, is at historic levels. This decision was not made lightly, nor without regard for the broader budget challenges facing the state.

The Secretary of State's office is not a large agency with a flexible budget. The vast majority of our General Fund appropriation is committed to personnel costs and essential software systems that support every business in Idaho, every county election office, more than 4,000 required campaign finance and lobbying filers, and over one million registered voters. We also maintain an internal cybersecurity team that supports both our office and county election offices, reflecting the reality that election systems are critical public infrastructure with an elevated risk profile.

### **Business Division Revenue and Growth**

The Secretary of State's office is distinct from most General Fund entities in one important respect: we consistently generate revenue in excess of our operating costs. While budget discussions understandably focus on expenditures, for our office, revenue and workload must be considered together.

At the close of FY 2025, the Secretary of State's office returned approximately \$2.1 million in excess revenue to the General Fund. We have returned this much and more each year I have been in office. This occurred during a period of unprecedented growth in business activity in Idaho, which has significantly increased the workload of our Business Services Division.

In calendar year 2025 alone, our eight-person Business Services team processed nearly 650,000 filings, almost 200,000 more filings than just five years ago. That equates to approximately 2,500 filings per workday, or roughly 320 filings per employee per day throughout the year.

Because registering a business is often the first step to operating in Idaho, these filings serve as a baseline economic indicator. By that measure, Idaho's economy is strong and growing. However, growth at this scale has consequences. As filing volume has increased, processing times for routine, non-expedited filings have steadily risen, reaching an average of nearly 20 days in December, well beyond our target of three days.

This is not consistent with Idaho's reputation for efficiency. Delays at this stage create real downstream impacts, including delaying a business's ability to open accounts, enter contracts, and operate fully. Reducing capacity in this office would only exacerbate those delays and place a bottleneck on economic activity.

Under normal circumstances, the appropriate response to this workload would be to add staff. Recognizing the state's fiscal situation, however, we deliberately chose not to request the additional positions needed to keep pace with growth. That restraint, combined with the revenue we return to the General Fund, reflects our commitment to being responsible partners in a challenging budget environment.

### **Elections Division**

Beyond business services, the other core function of our office is the administration and oversight of Idaho's elections. With every legislative seat on the ballot this year, the importance of this work is clear.

Idaho has earned national recognition for the integrity of its elections. Following the 2024 presidential election, I was asked to testify before the U.S. House Administration Subcommittee on Elections because Idaho stood out for its preparedness and performance. At the same time, elections remain an area of intense national focus and scrutiny. Entering a major election cycle is not the time to weaken support for counties or reduce the resources that ensure confidence in the election process.

The events in Elmore County last November underscore this reality. When 388 ballots, more than ten percent of votes cast, were not reported on election night due to processing errors, our office immediately mobilized. Working with county officials and the Attorney General's office, we secured the ballots, conducted a full countywide hand recount, tested equipment, identified the cause of the error, and validated the results in district court. Every member of our elections team was involved, and the issue was resolved transparently and thoroughly. This response is an example of election integrity functioning as it should.

### **Budget Reduction Request**

In my first budget as Secretary of State, the Legislature appropriated \$10 million in one-time funding to modernize Idaho's election technology. Through a careful review of how these systems are hosted and managed, we identified an opportunity to reduce long-term costs by transitioning hosting responsibilities to vendors. As a result, we have identified a total of **\$850,000** in one-time, FY26 funds we can revert back from the original appropriation while fully funding these systems for the originally proposed five years. This represents approximately 15 percent of the Secretary of State's base budget and exceeds the combined FY26 and FY27 dollar value of the requested reductions, allowing us to contribute meaningfully to addressing the budget shortfall without creating operational risk.

I am very mindful of the difficult decisions before you and your committee members. I hope this letter clearly explains our decisions and our intent. My goal is to be a responsible steward of public dollars while ensuring Idaho's businesses, voters, and counties receive the level of service, security, and integrity they expect and deserve.

Thank you for your consideration. I am always happy to provide additional detail or meet with you to discuss our budget and operations further.

Respectfully,



Phil McGrane  
Idaho Secretary of State

cc: Keith Bybee, Budget & Policy Analysis Division Manager  
Legislative Services Office

FY 2021 5% Reduction Plan

**Treasurer's Office - Agency 150**

<b>Total Original FY 2026 General Fund Appropriation</b>	<b>1,711,700</b>
3% Reduction	<b>51,300</b>
Additional 1%	<b>68,500</b>
Additional 2%	<b>85,600</b>

<b>State Treasurer</b>	PC	OE	CO	T/B	LS	Total
<b>Budget Unit STAA</b>	1,184,900	526,800	0	0	0	1,711,700

<b>Components</b>			
Previously Recorded 3% Reduction	(35,500)	(15,800)	(51,300)
Additional 1%	(6,300)	(10,900)	(17,200)
or Additional 2%	(12,600)	(21,700)	(34,300)

Affect on Current Workforce:

No formal reductions in force or furloughs.

Affected Programs:

N/A

Affective Essential Services:

Potential for shortage in operational funds for bank services.

Identified Efficiencies:

Reduced training for staff.