State of Idaho

Citizens' Financial Report

For the Fiscal Year Ended June 30, 2007

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Front cover photo courtesy of the Idaho Department of Parks and Recreation
Location: City of Rocks State Park

This and related information is available at www.sco.idaho.gov

A Message from

Donna M. Jones

State Controller

Donna M. Jones
State Controller

I am pleased to present the tenth annual Idaho Citizens' Financial Report (otherwise known as the Popular Annual Financial Report, or PAFR) for the fiscal year ended June 30, 2007. The purpose of this report is to present selected financial information in a brief, objective, and nontechnical format. The PAFR is intended to supplement, not replace, the more detailed financial position set forth in the Comprehensive Annual Financial Report (CAFR). A copy of the CAFR may be obtained by writing, calling our office, or by visiting our web site at www.sco.idaho.gov.

The financial statements presented in this report are in accordance with Generally Accepted Accounting Principles (GAAP), except when noted otherwise. The report depicts trends in state revenues and spending in selected economic and demographic areas affecting the State that are of particular public interest, such as the following:

- Idaho's revenues and expenses - a brief explanation of where the State's resources come from and how they are spent
- Idaho's Medicaid provider fraud mechanism - how citizens can help prevent abuse of taxpayer dollars by reporting Medicaid fraud
- Idaho's new community college - the college will serve the greater Boise-Nampa-Caldwell area, which is home to nearly 700,000 people
- Meth in Idaho - the Office of Drug Policy was created in fiscal year 2006 to help combat the meth problem in Idaho
- Idaho's transportation needs - how the Idaho's Transportation Department is trying to keep pace with growth

My intention is to provide an informative report, allowing you to make better-informed decisions about the State's finances. I hope you will let us know what you think about the Idaho Citizens' Financial Report. Your feedback will help us ensure future reports include the information you want and find most useful. You can provide comments and suggestions by writing, emailing, or calling:

Office of the State Controller
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cafr@sco.idaho.gov
208-334-3150

Donna M. Jones
State Controller

Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the State of Idaho for its Popular Annual Financial Report for the fiscal year ended June 30, 2006. The Award of Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, the contents of which conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The Office of the State Controller has received a Popular Award for the last nine consecutive years (fiscal years ended 1998-2006). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

State of Idaho

for the Fiscal Year Ended

June 30, 2006

President

Executive Director

Statement of Net Assets

June 30, 2006 and 2007

(Dollars in thousands)

	Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	FY 2007	FY 2006 Restated	FY 2007	FY 2006	FY 2007	FY 2006 Restated
ASSETS						
Cash, Cash Equivalents, and Pooled Cash	$1,444,539	$1,059,235	$408,657	$378,378	$1,853,196	$1,437,613
Investments	1,347,019	1,131,683	380,835	267,557	1,727,854	1,399,240
Securities Lending Collateral	1,343,114	807,844			1,343,114	807,844
Taxes/Accounts Receivable, Net	390,953	327,139	114,476	95,798	505,429	422,937
Due from Other Governments or Funds	213,033	163,922	89,884	84,577	302,917	248,499
Loans/Notes/Pledges Receivable, Net	11,563	7,580	196,017	171,531	207,580	179,111
Other Assets	56,264	47,948	34,475	30,593	90,739	78,541
Capital Assets	4,621,353	4,401,997	856,426	786,323	5,477,779	5,188,320
Total Assets	$9,427,838	$7,947,348	$2,080,770	$1,814,757	$11,508,608	$9,762,105
LIABILITIES						
Medicaid/Accounts Payable	$249,633	$219,205	$24,494	$17,428	$274,127	$236,633
Due to Other Entities	70,933	68,792	4,102	4,818	75,035	73,610
Unearned Revenue	49,010	38,009	35,340	33,598	84,350	71,607
Obligations Under Securities Lending	1,343,114	807,844			1,343,114	807,844
Other Liabilities	64,317	56,139	57,188	49,572	121,505	105,711
Long-Term Liabilities	492,421	350,712	441,905	357,709	934,326	708,421
Total Liabilities	2,269,428	1,540,701	563,029	463,125	2,832,457	2,003,826
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	4,401,792	4,179,097	513,584	467,275	4,915,376	4,646,372
Restricted	1,773,496	1,354,676	813,880	720,721	2,587,376	2,075,397
Unrestricted	983,122	872,874	190,277	163,636	1,173,399	1,036,510
Total Net Assets	7,158,410	6,406,647	1,517,741	1,351,632	8,676,151	7,758,279
Total Liabilities and Net Assets	$9,427,838	$7,947,348	$2,080,770	$1,814,757	$11,508,608	$9,762,105

The Statement of Net Assets includes Governmental and Proprietary Funds.

Governmental Activities include most of the State's basic services, such as general government, public safety, health and human services, education, economic development, and natural resources. The governmental activities services are primarily paid for by state taxes and federal grants.

Business-Type Activities account for operations that function in a manner similar to private business, where the cost of providing goods or services is paid for in whole or in part by fees charged to users.

Net Assets measure the difference between what the State owns (assets) versus what the State owes (liabilities).

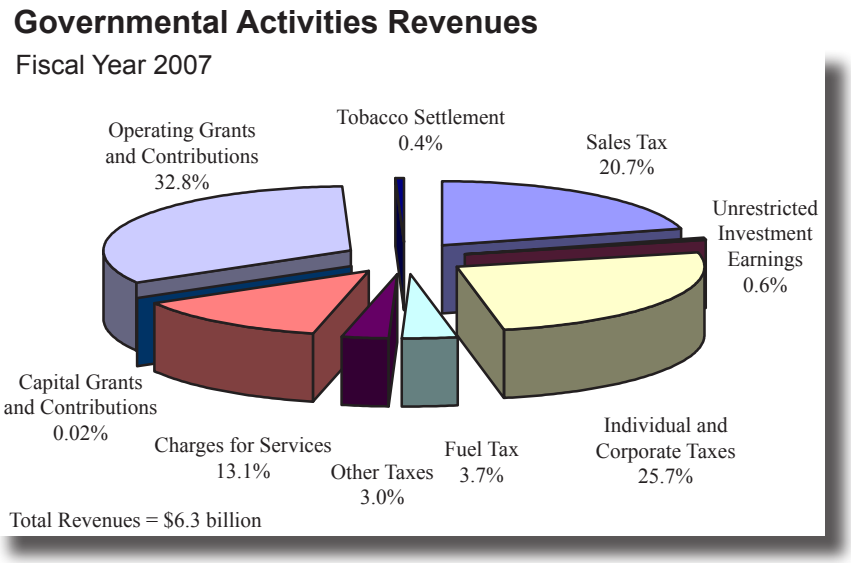
Invested in Capital Assets, Net of Related Debt, measures the value of capital assets the State owns (such as roads, bridges, buildings, machinery, equipment, and land) less depreciation and any debt owed from buying or building the assets.

Restricted Net Assets are assets that are not available for general use due to external restrictions, constitutional provisions, or enabling legislation.

Unrestricted Net Assets are assets that may be used for any appropriate purpose, but their use may be limited by state statutes.

Revenues and Expenses

The collection of taxes is the largest source of revenue for Idaho. State income taxes are collected from both individuals earning wages and businesses earning profits in Idaho. This past year the amount of individual tax collected was $1.4 billion and the amount of sales tax collected was $1.3 billion. Sales tax is collected on retail transactions occurring in Idaho.

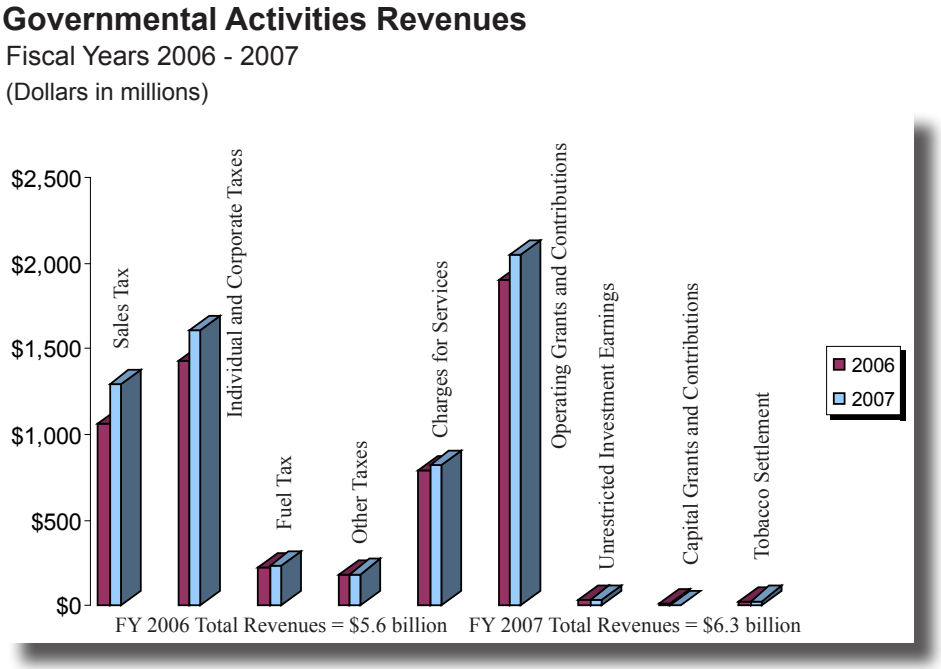


Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

Federal grants of $2.1 billion are the next largest source of revenue for Idaho. Grants are awarded for specific purposes. For example, the U.S. Department of Health and Human Services gives grant money to Idaho for Medicaid and child support services. Grant money is also given for the maintenance and construction of highways, education, and many other purposes. The remaining revenue come from fees for services, charges for permits issued to business and individuals, investment earnings, and other miscellaneous types of income.

The most significant increase in governmental revenue from fiscal year 2006 to 2007 was $234.2 million in sales tax revenue due to a 1 percent sales tax increase that began in October 2006 as a result of the Property Tax Relief Act of 2006. The Act passed during a special legislative session in August 2006 to reduce property taxes. The Act eliminated the public schools maintenance and operation levy on Idaho real property. In order to protect education funding, the Act appropriated additional funds from the General Fund to public schools for maintenance and operation to compensate for the loss of the property tax revenue.

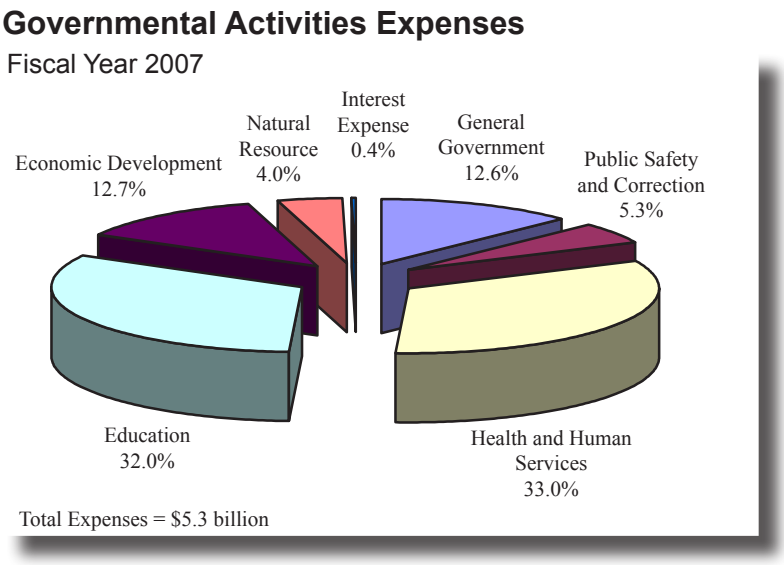
Individual and corporate income tax revenue increased $173.0 million due to increasing levels of employment and personal income. In addition, revenue from operating grants and contributions increased $147.9 million mainly due to increased federal grants for health care assistance and infrastructure; as well as increased investment earnings from investment of revenues earned from lands granted by the federal government upon statehood.



Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

Each year the Idaho Legislature sets a budget for the State. This past year the two largest programs in the State were health and human services and education.

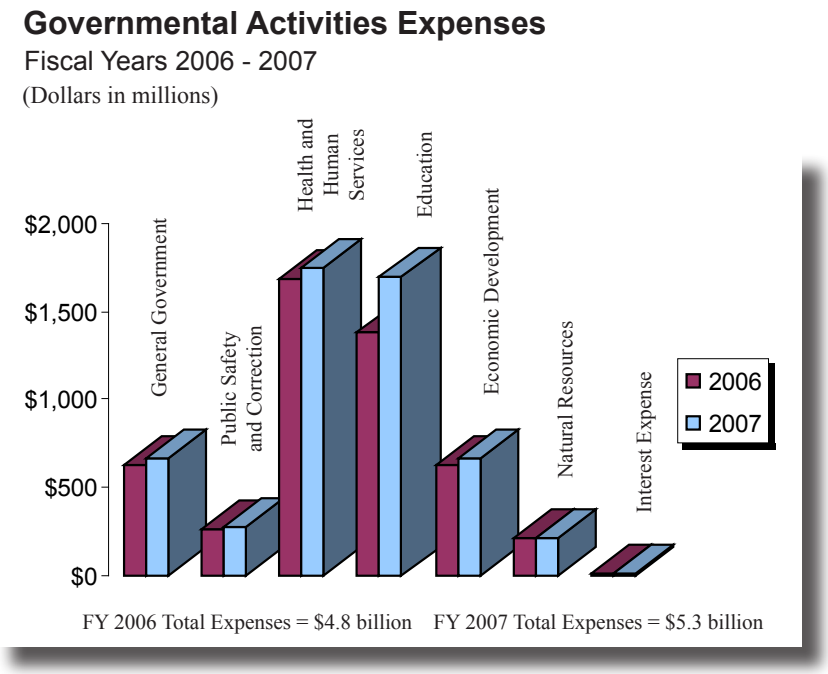
Health and human services spent more than $1.7 billion of the State's budget, with Medicaid programs receiving over half of the $1.7 billion. Medicaid assists those who are unable to pay for medical and dental services because of low income, youth, old age, pregnancy, or disability. Additional health and human service programs include an AIDS drug assistance program, child adoption, children's mental health, and child protection referrals.



Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

The second-largest share of state funds was spent on education, accounting for almost $1.7 billion of expenses in fiscal year 2007. The money was used for public schools and other education. The remaining governmental expenses were for programs such as general government, natural resources, and public safety and correction. The government-wide operating statement can be found in the State's Comprehensive Annual Financial Report on pages 16-17.

The most significant increase in governmental expenses from fiscal year 2006 to 2007 was the increase in education expenses of $306.2 million mainly due to an increased public school distribution for facilities improvements, salaries, and operating expenses. Health and human services increased by $64.0 million. The increase was due to greater medical assistance payments, mainly related to Medicaid and rehabilitation service payments. Economic development expenses increased by $34.5 million, mainly due to highway infrastructure projects.



Data Source: Comprehensive Annual Financial Report
Includes governmental and internal service funds

Economic/Demographic Outlook

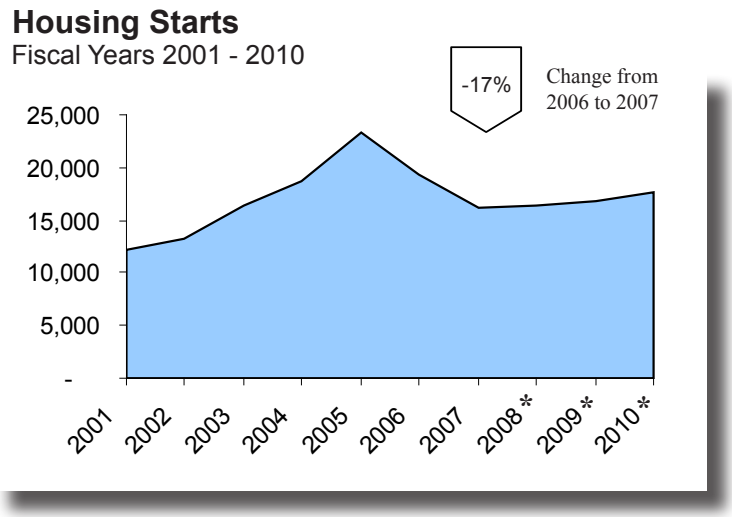
Idaho's economy is affected by many local, national, and international factors. Chief among current factors are a permanent restructuring by Idaho's largest private employer, Micron Technology, and a decline in new housing construction.

Electronics Sector

Economists expect the computer and electronics sector to shed jobs over the next three years. This spring, Micron Technology permanently laid-off approximately 10 percent of its 11,000-person local workforce and announced a planned reduction of another 5 percent later in 2007. A reasonable estimate is that for each Micron job loss, another job will be lost elsewhere in the economy. Some good news for the high-tech sector is Hoku Materials' start of a polysilicon production plant in Pocatello. Polysilicon is used by the solar market. The plant is expected to have 200 employees by late summer or fall of 2008.

Construction Sector

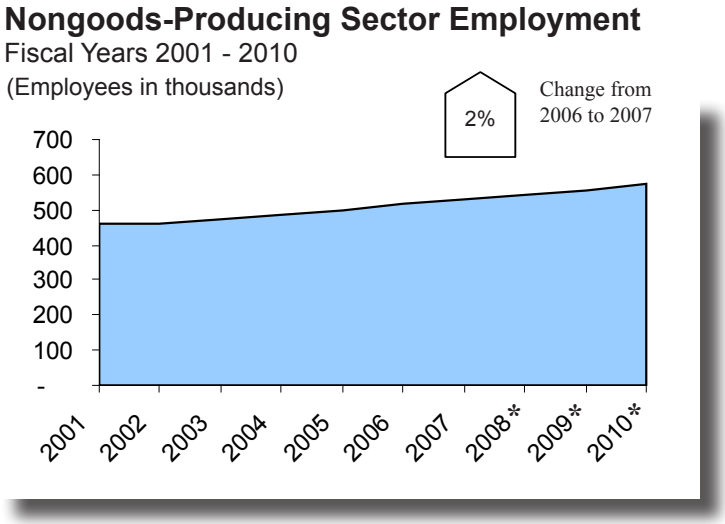
Construction is expected to respond to the decline in new housing starts. Housing starts suffered a 17 percent drop in 2006, but construction employment expanded during that period due to nonresidential building. Idaho housing starts should decline another 17 percent in 2007. This should result in fewer local construction jobs. Economists predict the number of construction jobs to decline 1.4 percent in 2007. Construction is expected to gradually improve after 2007, with construction employment seeing job gains in 2010.



Data Source: Idaho Economic Forecast, October 2007
* estimated figures

Nongoods-Producing Sector

Idaho's economy is expected to slow, but not stop, largely due to the nongoods-producing sector. Economists project this sector to sustain the State's economy from 2007 to 2010. The private nongoods-producing sector is Idaho's largest private employment sector. It accounted for roughly two-thirds of the 2006 jobs gain, with the service sector claiming the majority of those jobs. Service industries include information services; financial activities; transportation, warehousing, and utilities; professional and business services; education and health services; and leisure and hospitality services. Nongoods-producing industries also include retail and wholesale trade.



Data Source: Idaho Economic Forecast, October 2007
* estimated figures

Idaho's Population

Idaho's population increased 2.6 percent in 2006. In 2007 Idaho's population is expected to total 1.5 million people, an increase of 2.3 percent from 2006. The population is expected to increase 1.9 percent in 2008.

Department of Parks and Recreation

Beginning in 1907 areas designated as "scenic and recreational" were administered by the State Land Board. The Department of Parks and Recreation wasn't created until the 1965 Legislative Session. Today the Department manages 26 state parks in three regions throughout the state, and also manages trails, boating, and interpretive programs.

Educating the Public

One of the Department of Parks and Recreation's goals is to educate. Department programs, such as the interpretive program, stimulate park visitor interest and appreciation for the parks' natural, historical, and recreational resources. Some examples of the interpretive program include exhibits at park visitor centers, brochures, and trail guides. Environmental education is one of the many aspects of the interpretive program. Many parks host school groups of all sizes and ages for environmental education activities. During the off-season many park rangers visit schools to teach resource education to students.

Funding

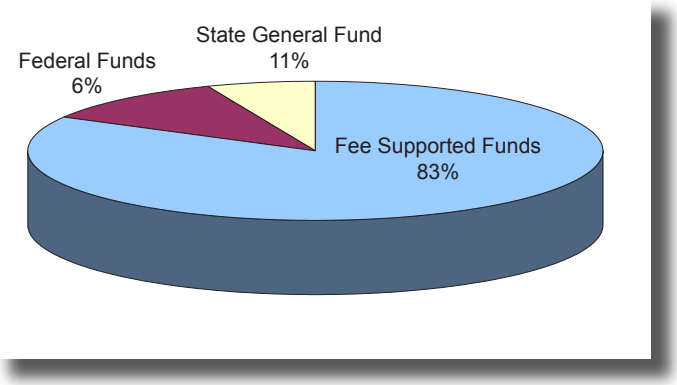
In fiscal year 2007 the General Fund supported 11 percent of the Department of Parks and Recreation appropriation, with 83 percent of the Department's activities and programs funded by fee-supported dedicated funds. The balance comes from federal funds. The fees that flow into the dedicated funds are primarily derived from ATV, boat, motorcycle, and snowmobile registrations; and fees charged to park visitors for day use and overnight camping.

Funding highlights from the 2007 Legislative Session for the Department include $7.6 million for replacement items and general improvements at parks across the State. Legislators also approved $3.0 million to build a bridge at Eagle Island State Park. The bridge will create a new entrance into the park and will accommodate heavy equipment related to gravel extraction and park development.

Visitors

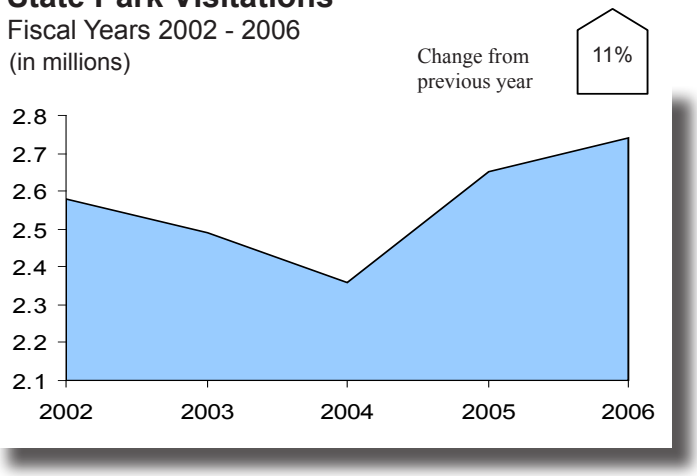
The number of visitations to state parks has been inconsistent over the past five years. Visits reached a five year low of 2.36 million in fiscal year 2004 and rebounded to a high of 2.74 million in fiscal year 2006.

Revenue Sources
Fiscal Year 2007



Data Source: Idaho Legislative Fiscal Report 2007

State Park Visitations
Fiscal Years 2002 - 2006
(in millions)



Data Source: Department of Parks and Recreation

Department of Health & Welfare

The Idaho Department of Health and Welfare assists the State's most vulnerable citizens with complex social, economic, and individual struggles. Assistance programs include Medicaid, Food Stamps, Child Protection, and Disease Prevention. During fiscal year 2006 almost 340,000 people in Idaho received benefits, nearly one out of every four Idahoans.

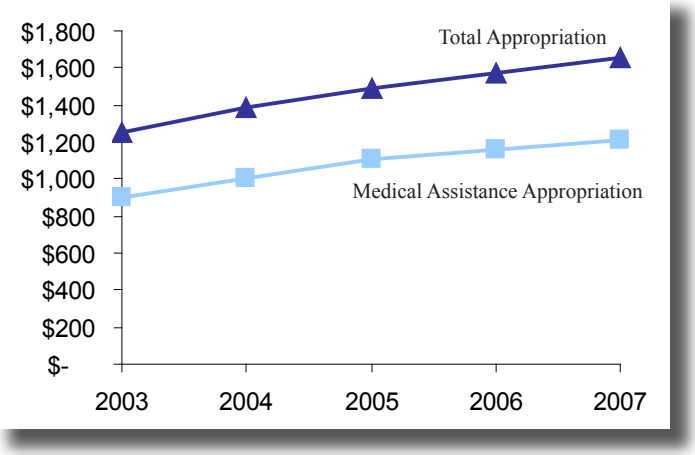
Appropriation

For fiscal year 2007 the Department of Health and Welfare's total appropriation is nearly $1.7 billion, with the General, dedicated, and federal funds contributing roughly $502.4 million, $116.5 million, and $1.1 billion, respectively.

The General Fund appropriation for the Department increased from $457.7 million in fiscal year 2006 to the $502.4 million in fiscal year 2007 as outlined above. This level of funding represents an increase of $44.7 million or 9.8 percent over the Department's fiscal year 2006 original appropriation from the General Fund. Of the total $44.7 million increase, $26.0 million or 58 percent was for Medicaid. The majority of the nearly $1.7 billion appropriation is for medical assistance at nearly $1.2 billion, or 73.9 percent.

The Department recorded $7.2 million for a General Fund carryover from fiscal year 2006 into fiscal year 2007 and received the following three General Fund supplemental appropriations for fiscal year 2007:

Total Appropriation vs. Medical Assistance Appropriation
Fiscal Years 2003 - 2007
(Dollars in millions)



Data Source: Idaho Legislative Fiscal Reports 2004-2007

- $750,000 for replacement of Temporary Assistance for Needy Families (TANF), funding for the Immunization Registry Information System (IRIS), and vaccine education outreach funding
- $830,100 to replace funding due to reduced federal participation for Medicare and Medicaid skilled medical professional staff
- $301,600 for modifications due to the Health Insurance Portability and Accountability Act (HIPAA) national provider identification requirements

During fiscal year 2007 a $13.6 million mid-year reversion of General Fund money from the Medicaid appropriation occurred due to a drop in actual Medicaid case load and utilization. In addition, the Department of Health and Welfare was at the end of a three-year federal grant used for statewide substance abuse treatment. The Joint Finance-Appropriations Committee approved continued funding of the program with a fiscal year 2008 appropriation of $6.5 million from the General Fund.

Reporting Medicaid Provider Fraud

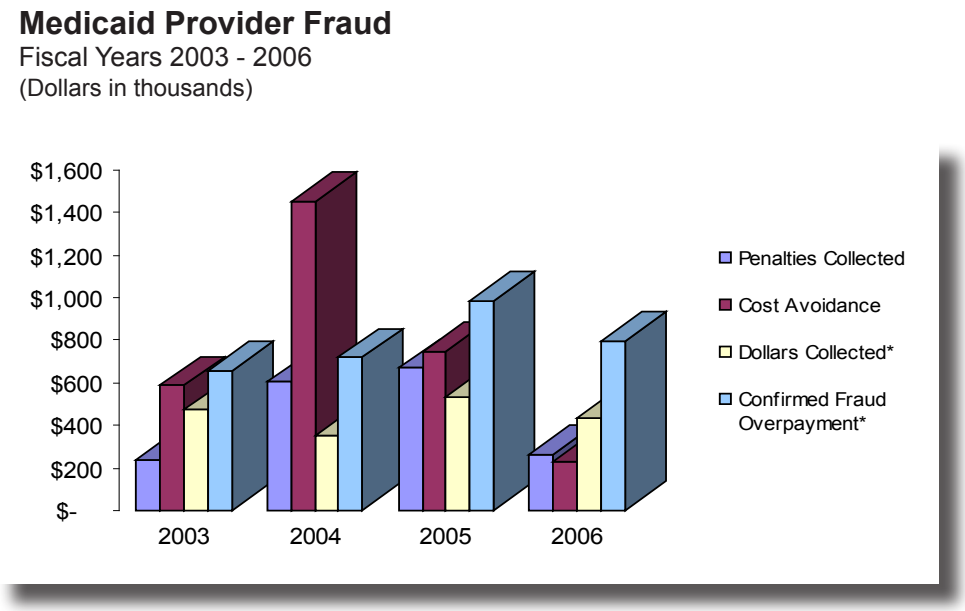
Abusing taxpayer dollars by submitting fraudulent Medicaid claims wastes valuable state resources that could be used to provide health care assistance to children and adults with legitimate needs. Medicaid fraud and abuse are aggressively examined by the Medicaid Fraud and Program Integrity Unit (MFPIU) within Health and Welfare. State and federal investigative agencies and prosecutors work closely with MFPIU to punish offenders and send a message of zero tolerance for fraud and abuse within the Medicaid program. Their objectives are two-fold:

- Identify billing errors that result in unnecessary loss of program dollars
- Investigate and prosecute offenders for filing false or fraudulent claims

The management of public programs impacts all taxpayers. Several ways are available to report fraud and abuse of taxpayer money:

- Email a fraud complaint to: prvfraud@dhw.idaho.gov
- Call the 24-hour fraud hotline: 1-866-635-7515
- Download and complete a *Provider Fraud Complaint Form* from the Health and Welfare website, *Reporting Fraud and Abuse* link: http://www.healthandwelfare.idaho.gov
  - Fax a complaint form to: 1-208-334-2026 or
  - Mail a complaint form to: Medicaid Fraud and Program Integrity Unit, P. O. Box 83720, Boise, ID 83720-0036

When filling out a form, provide as much detail as possible including a contact name, phone number, or email address so MFPI can request further information if needed. The ultimate goal is to make sure the allotted taxpayer money is being used for people who really need Medicaid assistance.



Data Source: Idaho Department of Health and Welfare, Facts/Figures/Trends, 2006-2007

*Some dollars collected are received from prior year cases. Cases which involve confirmed fraud overpayment are sent to collections for recovery of funds.

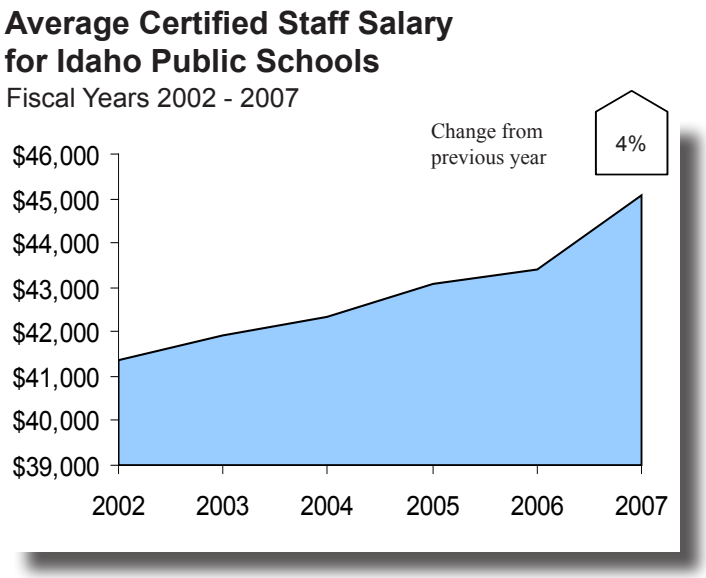
Education

The Idaho Department of Education oversees the State's K-12 educational system and has two major objectives. The first objective is to raise student achievement so that every child has the opportunity to graduate from high school with the skills and knowledge necessary to succeed. The second objective is to provide school districts with the assistance necessary to meet challenges head-on and to turn a good public school system into a great public school system.

Public Schools

The General Fund original appropriation for public schools increased by 5.5 percent for fiscal year 2007, from $987.1 million to $1.0 billion. The total appropriation, including all funds, increased by 5.8 percent over the original fiscal year 2006 appropriation, from roughly $1.2 billion to more than $1.3 billion.

Minimum teacher salary was increased from $27,500 to $30,000 and base salaries were increased by 3 percent for teachers, administrators, and classified staff. The Legislature also funded 260 new support units for fiscal year 2007 in an effort to address near record breaking enrollment growth. The graph reflects the increase in employee compensation from 2002 to 2007.



Data Source: Department of Education statistical reports, 2001-2006

Higher Education

For fiscal year 2008 the four institutions in the State's college and university system received a 5.8 percent increase in appropriations from fiscal year 2007. The increased appropriation consists of funding for replacement items, overhead costs, and a 5 percent increase in employee compensation.

The State's two community colleges also received an increase of 6.6 percent in fiscal year 2008 appropriations from fiscal year 2007. This appropriation will go towards replacement items, a 5 percent increase in employee compensation, and enrollment workload adjustment.

Nursing Assistance

Boise State University received authorization to construct a Student Health, Wellness, and Counseling Center/Department of Nursing Building. Additionally, the Legislature approved the creation of the Nursing Workforce Advisory Council and the Workforce Center to study Idaho's nursing needs. By taking advantage of research, incentive, and educational programs the State intends to address the current and future nursing shortage.

Idaho Digital Learning Academy

The Idaho Digital Learning Academy (IDLA) is a state sponsored, accredited, online virtual school created through the Idaho State Legislature (*Idaho Code*, Title 33, Chapter 55) within the State Department of Education to provide Idaho students with greater access to a variety of courses and a highly qualified faculty. This virtual school for grades 7 through 12 was created to address the educational needs of all Idaho students: traditional, home schooled, at-risk, and gifted learners. IDLA allows students to be enrolled full time at the local school district yet still have the opportunity to take an online course.

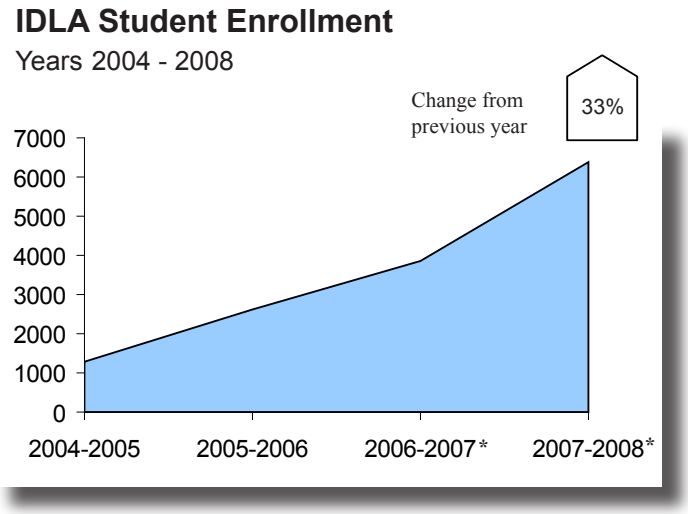
Benefits from online learning include the following:

- Expanded course offerings including advanced placement and dual credit
- Access to highly qualified faculty in key content areas
- Aid in scheduling conflicts
- Additional academic support to struggling students
- 21st century learning skills

Increased Participation

The IDLA offers 85 courses ranging from electives to advanced placement. During the 2005-2006 school year, 78 percent of the State's school districts participated. The IDLA has experienced a large increase in schools using their services as a means of offering courses they wouldn't be able to provide due to staffing limitations. Student enrollment increased 33 percent from the 2005-2006 school year to the 2006-2007 school year.

The national trend of online virtual schools is similar to the enrollment increases seen at the IDLA. Nationally, 500,000 students are enrolled in online virtual school courses at 25 state-led virtual schools.

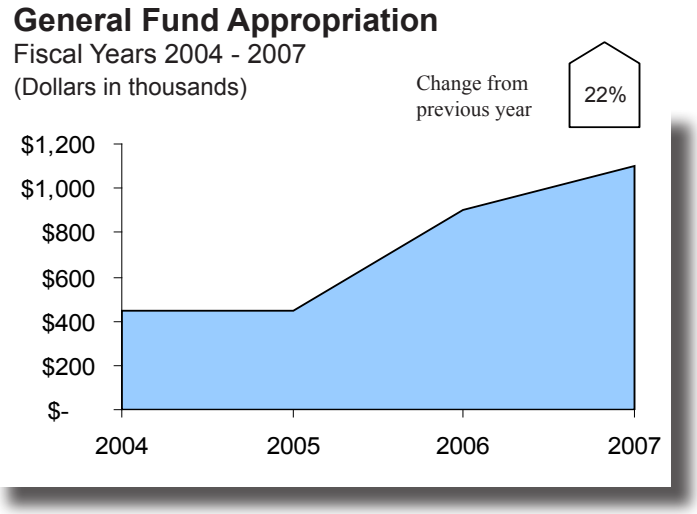


Data Source: Idaho Digital Learning Academy

* estimated enrollment figures

Funding History of IDLA

In fiscal years 2004 and 2005 the Legislature funded the IDLA with an annual appropriation of $450,000. In 2006, the IDLA expanded their course offerings, which included advanced placement courses and courses offered to seventh and eighth grade students for the first time. In 2006 the IDLA appropriation was increased to $900,000, an increase of 100 percent from 2005. In fiscal year 2007 the Legislature approved a 22 percent increase in appropriations, in order to lower course fees to $50 per semester.



Data Source: Idaho Legislative Fiscal Report 2007

Idaho Public Television

Idaho Public Television (IPTV) is making technological advancements to expand its services across Idaho. With the end of the analog age approaching rapidly, IPTV is converting and upgrading its equipment to the digital age.

Going Digital

In 2005, President Bush announced that February 17, 2009, would be the final date for analog transmission, as the country switches to digital broadcasting. To meet this goal IPTV plans to upgrade five transmitters, 37 translators, and four basic studios in Boise, Moscow, Pocatello, and the Statehouse. Idaho Public Television plans to accomplish this change in steps. The five transmitters were the first step, starting with Boise in 2001; Moscow, Coeur d'Alene, and Pocatello in 2002; and Twin Falls in 2003. Early in 2006 the system's first translator was installed in Rexburg, allowing digital signals to be sent almost immediately. Idaho Public Television plans to upgrade 12 translators in 2007, nine translators in 2008, and eight translators in 2009. The map shows the location of transmitters and translators around the Sate. IPTV has been planning for the conversion to digital transmission since 1999. Each budget since 2000 has included funding for digital upgrades. IPTV has funded much of the conversion with federal grants. Total costs for the upgrade are estimated at $17.0 million.

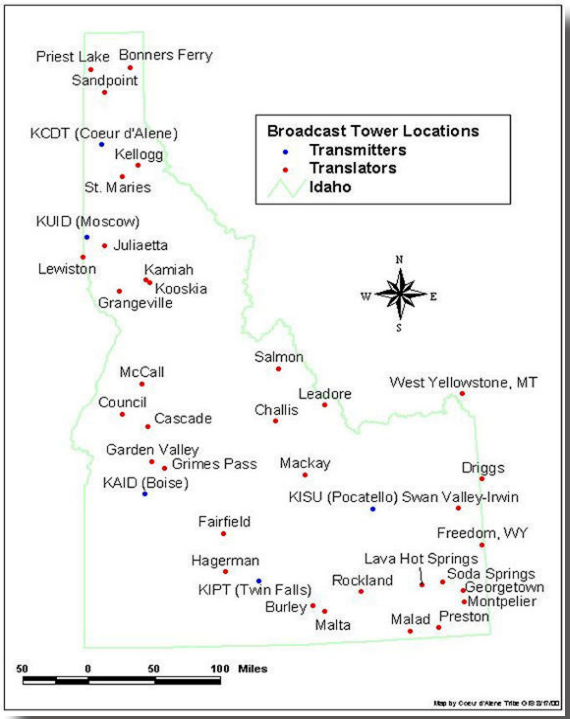
Awards

Idaho Public Television's production team has won hundreds of national and regional awards, including fifteen regional Emmys, fifteen CINE Golden Eagles, more than two dozen Telly Awards, a Peabody, and a handful of New York Film Festival awards.

Funding

The projected fiscal year 2008 budget for Idaho Public Television is $6.5 million, of which 62 percent will be funded by private and corporate support. Support will also come from the Corporation for Public Broadcasting, with an additional $60,000 from Public Broadcasting Service for "Ready to Learn" services.

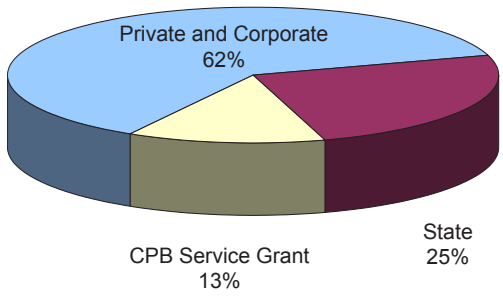
Idaho PTV Transmitters and Translators



Data Source: Idaho Public Television

Public Television Support

Fiscal Year 2008



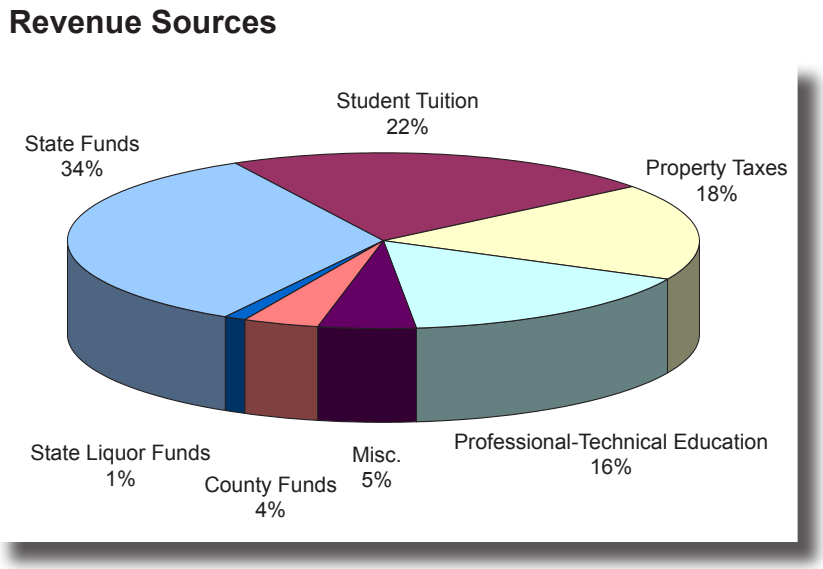
Data Source: Idaho Public Television

New Community College

In early 2007, the southwestern region of Idaho was the largest metropolitan area in the United States that did not have a community college. On May 23, 2007, 68 percent of the Ada and Canyon County voters approved the creation of a community college. The college will serve the greater Boise-Nampa-Caldwell area, which is home to nearly 700,000 people. The proposed location of the community college is in Nampa at the Boise State University West campus.

The average cost of a four-year public university education is $5,000 per year in the United States and private colleges are upwards of $22,000 per year. These costs continue to rise each year, so many prospective students turn to a community college for a more affordable college education. Early predictions put the new community college tuition at approximately half of the cost of tuition at BSU each semester. BSU charges $211 per credit; by comparison the new College of Western Idaho is projected to charge $120 per credit.

Community colleges can provide the vocational training needed by businesses in the area, as well as training for jobs that are in high demand such as truck drivers and registered nurses. Due to the new community college, four-year universities will be able to focus their resources on undergraduate, graduate, and research programs.



Data Source: State Board of Education

Funding

Funding for this college will come from a variety of sources. Four million dollars is needed each year in property taxes to pay for the college. The estimated tax is $11.39 per $100,000 of taxable property value. The State's General Fund will be a significant source of funding. House Bill 283 was passed to provide up to $5.0 million in start-up money.

The first five trustees who will oversee the community college have been appointed by the State Board of Education. The trustees will stand for election, should they choose, in the November 2008 General Election. The trustees will be responsible for shaping how the college will operate as well as what taxpayers will need to contribute.

Historical Society

The Historical Society was originally incorporated in 1881 as the Historical Society of Idaho Pioneers by members of the Territorial Legislature and Boise pioneers. The Society became a state agency on March 12, 1907, and began to assemble information and collect objects relating to the history of Idaho and the Pacific Northwest.

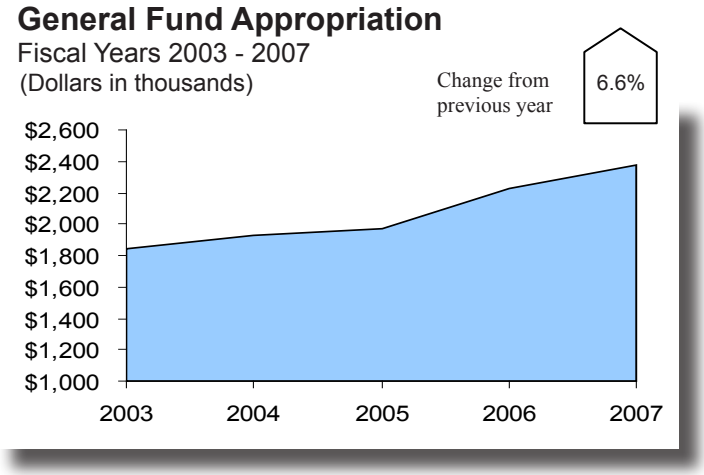
The Society exhibited the collections in the basement of the west wing of the then newly completed State Capitol. A new museum building in Julia Davis Park was opened in 1950 and housed the entire agency for over 20 years.

Today, the Society has various programs throughout the State that include the following:

- **The Idaho State Historical Museum** collects objects from the State's past. Exhibits tell the story of Idaho from prehistoric times through the fur trade, gold rush, and pioneer settlement to the present day.
- **The Public Archives and Research Library** holds transcripts, state archives, books, periodicals, motion pictures, videos, microfilm, and maps for use by researchers.
- **The Historic Preservation Office** works to recognize, document, and preserve buildings, structures, or places important to Idaho's history or prehistory.

Appropriation

In fiscal year 2007, the General Fund appropriation was increased by 6.6 percent from the previous year. This was mostly due to an increase in full-time positions (FTP) appropriated to the agency. The agency was appropriated 50.36 FTP up from 46.36 FTP the previous year. These positions were added to assist in the cataloging of historic materials and elements as part of the Capitol restoration effort.



Data Source: Idaho Legislative Fiscal Report 2007

	FY 03	FY 04	FY 05	FY 06 Est.
Administration				
Number of Society memberships	867	566	700	800
Historical & Geological Libraries and Related Materials				
Cubic feet of state archives material added	2,876	3,777	2,500	2,000
Patrons served	9,510	10,697	10,000	9,000
Historical Museums				
Number of visitors to state museums	201,000	190,000	190,000	200,000
Number of school and public performances	550	625	625	630
Historic Preservations				
Review of environmental impact clearances for adverse impact on cultural/historical resources, as required by law	982	1,100	1,200	1,300

Data Source: Idaho Legislative Budget Book, Fiscal Year 2007

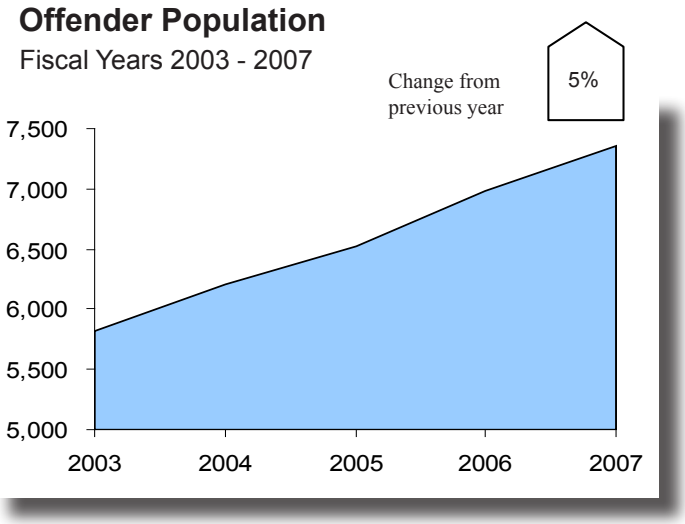
Methamphetamine in Idaho

Methamphetamine (meth) has been declared an epidemic by state health services and governors, impacting every segment of our society. Idaho taxpayers and children bear the direct and indirect costs related to the meth epidemic:

- Meth is the drug of choice for 65 percent of 1,062 drug court participants surveyed
- Children living in a home used as a meth lab are at extreme risk for injury or health problems
- Idaho ranks 9th highest in the U.S. for dependence or abuse of illegal drugs or alcohol among ages 12-17
- Up to 80 percent of Idaho child abuse and neglect cases are substance-abuse related
- The state of Idaho spends $66.0 million annually to house adult male inmates who admit to having a meth problem

Idaho's prison population is at an all time high, with 7,357 inmates incarcerated. A major factor of prison population growth can be attributed to meth use: 52 percent of inmates leaving prison said that meth was the main cause of their incarceration. The *Offender Population Forecast* for 2007-2010 predicts that the number of inmates in Idaho state correctional facilities will increase by 40 each month.

A proposed solution would be to create a new treatment center for incarcerated meth addicts. A 400-bed treatment center would cost the State approximately $8.2 million to build. The 2008 fiscal year appropriation is $6.5 million for substance abuse treatment. The costs of this drug are not limited to just prisons, as the cost to clean up a meth lab can range from $2,000 to $4,000.



Data Source: Idaho Department of Correction

What is Idaho Doing?

In fiscal year 2006 House Bills 530 and 519 were passed limiting the amount of pseudo ephedrine that could be purchased and possessed by one person at a certain time. Pseudo ephedrine is one of the main ingredients in the production of meth, and officials hope this limit will make meth more difficult to produce.

The Office of Drug Policy was created in fiscal year 2006 to help combat the meth problem in Idaho. The director of the Office of Drug Policy is working closely with law enforcement as well as governmental authorities in an effort to curb the problem and respond to substance abuse needs. The Interagency Substance Abuse Committee was recently formed to work with all state agencies on this topic. Funding for the Office of Drug Policy is provided directly from the Governor's Office.

In March 2007, the "March Against Meth" campaign kicked off, encouraging Idahoans to commit to a lifestyle free of illegal drugs. The program also helps educate people about meth and the problems associated with its use.

The Office of Drug Policy has launched a fundraising effort for an ad campaign called the Idaho Meth Project. This ad campaign, based on the Montana Meth Project called "Not Even Once," will use newspapers, billboards, radio, and television ads to depict the horrors of meth use and addiction. The Montana project is credited with reducing meth use in the state from fifth worst in the nation in 2005 to 39th in 2007, with teen use of meth declining by 45 percent. Idaho currently ranks 5th nationally in the use of meth. Organizers hope to raise $2.7 million for the educational ad campaign.

Further information about the Idaho Meth Project can be found at www.idahomethproject.org.

Transportation Department

In May 2006 the Legislature approved the sale of $200 million in GARVEE (grant anticipation revenue vehicles) bonds. These bonds will pay for the first phase of "Connecting Idaho." The sale of bonds and subsequent receipt of money will go toward funding various highway projects around the State. The first project began on May 23, 2007, on the US 95 Worley to Setters corridor, at an estimated cost of $45.6 million. In April 2007 Senate Bill 1239 was passed, which authorized the transfer of $3.9 million in state funds to match the federal funds received for GARVEE. Also passed was HB 336 providing up to an additional $250 million in bonds to be sold in fiscal year 2008.

Idaho lawmakers strengthened teen driving laws for the state, specifically the Idaho Graduated Driver License (GDL) program. As of July 1, 2007, teenagers under 17 years old will complete a six-month violation-free supervised instruction period, up from the previous four-month requirement. Once a teen has completed the six-month GDL program, they can take the skills and knowledge test.

Keeping Pace with Growth

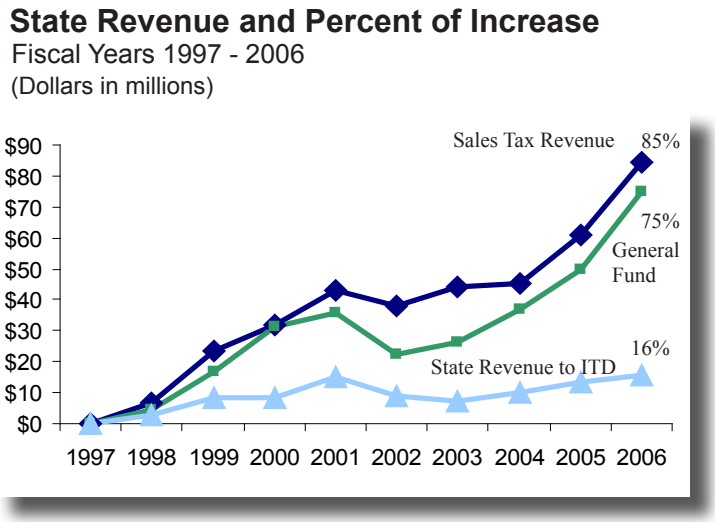
The Transportation Department is facing the challenges of explosive growth, soaring road construction costs, and shrinking revenue projections. The Department's revenue is generated from three primary sources: the federal fuel tax, state fuel tax, and vehicle and truck registration fees. As Idahoans continue to buy more fuel-efficient vehicles, the gap between revenue and demand is widening, limiting the Department's ability to make system improvements. Since 1978, the annual vehicle miles traveled on Idaho highways has increased by 94 percent. State revenue to fund transportation improvements has increased by only 16 percent, compared to a 75 percent increase in Idaho's General Fund (see chart).

The Idaho Transportation Board is proposing to the governor and the 2008 Idaho Legislature several options to deal with the funding gap. Those options include:

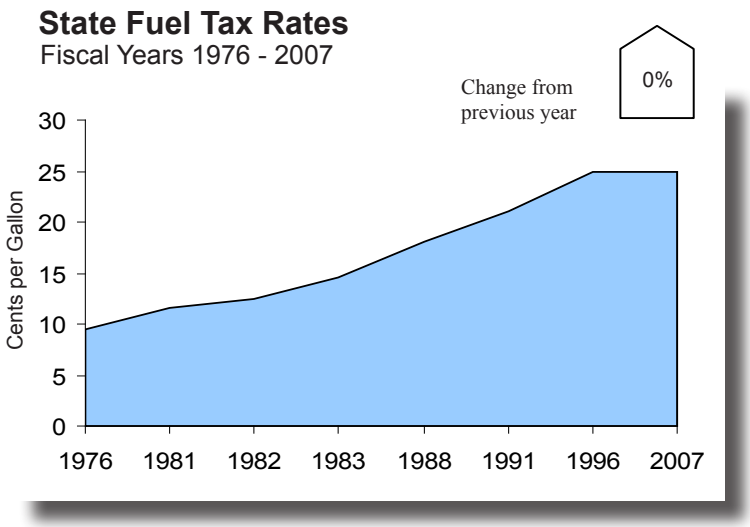
- Increasing the fuel tax
- Increasing vehicle registration fees
- Increasing title and driver's license fees

In the last 31 years fuel taxes have increased by 15.5 cents per gallon to level off at 25 cents per gallon, with no change in the past 11 years. Idaho is currently 21st in the nation for fuel tax. The graph to the right shows the years when the fuel tax has increased.

The cost of registering a car in Idaho has not increased since 1997. Idaho's vehicle registration fees rank 30th nationally, based on $48 to register a 2006 Toyota Camry. Idaho faces many challenges in balancing the needs of citizens with available resources.



Data Source: Idaho Department of Transportation



Data Source: Idaho Department of Transportation

Facts About Idaho

Name: Originally suggested for Colorado, the name "Idaho" was used for a steamship which traveled the Columbia River. With the discovery of gold on the Clearwater River in 1860, the diggings began to be called the Idaho Mines. "Idaho" is a coined or invented word and is not a derivation of an Indian phrase "E Dah Hoe (How)," supposedly meaning "gem of the mountains."

Nickname: The "Gem State"
Motto: "Esto Perpetua" (Let it be perpetual)
Discovered by Europeans: 1805, the last of the 50 states to be sighted
Organized as Territory: March 4, 1863, act signed by President Lincoln
Entered Union: July 3, 1890, 43rd state to join the Union

State Flag

GEOGRAPHY

Land Area: 82,677 square miles, 13th in area size
Water Area: 880 square miles
Highest Point: 12,662 feet above sea level at the summit of Mt. Borah, Custer County in the Lost River Range
Lowest Point: 770 feet above sea level at the Snake River at Lewiston
Length: 479 Miles
Width: 305 miles at widest point
Geographic Center: Settlement of Custer on the Yankee Fork River, Custer County
Number of Lakes: More than 2,000
Navigable Rivers: Snake, Coeur d'Alene, St. Joe, St. Maries, and Kootenai
Largest Lake: Lake Pend Oreille, 180 square miles
Temperature Extremes: Highest, 118˚ at Orofino July 28, 1934; Lowest, -60˚ at Island Park Dam, January 18, 1943
2007 Est. Population: 1,499,200; 39th among states
(DFM, *Economic Forecast,* July 2007)

State Horse: Appaloosa

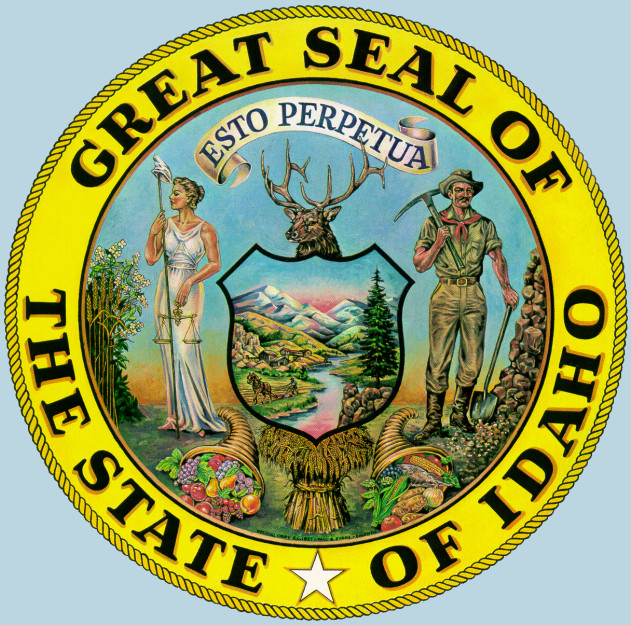
Data Source: *Idaho Blue Book* 2006-2007, published by the Idaho Secretary of State's Office
Photo Sources: Jason Abbott, Patricia Foxx, Scott Page, Steven Wagner, and Mihir Joshi

State Insect: Monarch Butterfly

State Vegetable: Potato

State Quarter: Peregrine Falcon

State Bird: Mountain Bluebird


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA