

FY 2009 Budget Summary

Statewide

- At the time the Governor submitted his budget recommendation to the Legislature the revenue estimate was \$3,011.9 million and had a beginning balance of \$230.6 million. After transfers and estimated expenditures the Governor's recommendation had a positive ending balance of \$35.6 million (10.5-percent increase from the FY 2008 Projected Expenditure).
- Due to the economic downturn the revenue estimate was revised in February 2008 and was lowered in both FY 2008 and FY 2009. At that time, the Governor did not submit a formal revision but issued a commitment to work with the Joint Finance and Appropriation Committee (JFAC) to align the recommendation with available funds. With the new revenue estimate, the beginning balance for FY 2009 was \$179.1 million with a revenue estimate of \$2,941.8 million.
- The total General Fund revenue available after legislative action and transfers to other funds that were approved during the 2008 session is estimated to be \$64.5 million (including \$39.1 million left unaccounted for by JFAC).
- The 2008 session included new legislation that provides \$38.4 million in General Fund transfers to dedicated accounts for specific activities. These transfers include: \$20 million to the Department of Water Resources for the Aquifer Management Study, \$10 million for the Opportunity Scholarships, \$1.8 million for the Water Storage Study, \$1 million for the Physical Health Services Grant, and \$5.6 million for the Permanent Building Fund.
- The Governor's recommendation included a 5-percent compensation increase for all state employees, including judges, teachers, and all public school employees. The Legislature funded a 3-percent compensation increase with 1 percent across the board and 2 percent to be given based on performance. The Legislature also reduced health benefits from \$9,200 to \$8,700 per employee.
- The Governor recommended a 5-percent increase in the base salary for teachers, classified, and administrative employees to be distributed by merit. The Legislature funded a 2.5-percent increase in the base salary for teachers, in addition to a 2.5-percent increase in the minimum salary for beginning teachers. The base salary for classified staff was increased 3 percent, and the base salary for administrators was increased 2 percent. A new merit-based pay system based on student achievement was rejected by the Legislature.
- The Governor recommended increasing the grocery tax credit at an estimated cost of \$23.8 million. The Legislature passed a bill that raises the grocery tax credit over time with an estimated cost of \$23.5 million for the first year. For those Idahoans with taxable income of less than \$1,000, the credit goes from \$20 to \$50 in 2008 and rises \$10 per year until it reaches \$100. The grocery tax credit for those with more than \$1,000 of taxable income rises to \$30 in 2008 and increase in \$10-annual increments until it also reaches \$100. The bill also raises the additional \$15 credit for senior Idahoans to \$20. The total cost is expected to \$591.3 million over seven years.
- The Legislature approved "The Economic Stimulus Act of 2008," which will reduce General Fund revenue by \$38 million in FY 2009 while holding counties harmless exempting the first \$100,000 worth of business equipment from the personal property tax only after annual state revenue grows by 5%..
- The Legislature did not fund the \$2 million transfer to the Constitutional Defense Fund that the Governor recommended.

Capital Budget

- The Legislature funded the Governor's recommendation for \$1.2 million from the General Fund for faculty and equipment at the Lewis-Clark State College Nursing and Health Science Building in Lewiston.
- As part of the capital budget, the Governor recommended and the Legislature approved \$10 million to construct the Center for Environmental Science and Economic Development building at Boise State University.
- The Legislature funded a portion (\$2.4 million) of the Governor's recommended \$4 million in one-time General Fund monies for deferred maintenance and infrastructure repair and renewal on the campus of the University of Idaho.
- The Legislature funded a portion (\$600,000) of the Governor's recommended \$1.2 million in one-time General Fund monies for information upgrades and maintenance on the campus of Boise State University
- As part of the capital budget, the Governor recommended and the Legislature approved \$5.2 million for Idaho State University to remodel unfinished space in its Meridian location for laboratories, classrooms, and offices that support the institution's academic and health research mission.
- As part of the capital budget, the Governor recommended and the Legislature approved \$5 million to expand the Idaho Historical Museum for more exhibit articles, accessibility for major traveling shows, and greater opportunities for school and public programs.
- As part of the capital budget, the Governor recommended and the Legislature approved \$175,600 for design and permitting of the Idaho Supreme Court's new Law Learning Center. In addition to a library, offices, and meeting rooms, the facility is envisioned to provide space for the University of Idaho School of Law.

Executive Office of the Governor

Drug Policy, Office of

- The Governor's recommendation includes support for implementing the Global Appraisal of Individual Needs (GAIN) statewide substance abuse assessment tool for the Office of Drug Policy, Department of Health and Welfare, and the Department of Correction. The assessment tool will provide the continuity and consistency now lacking within the state's substance abuse treatment programs.
- The Governor's recommendation includes ongoing funding for expansion of the Drug Court program for an additional 275 participants.
- The Governor's recommendation includes \$1 million in one-time funding from the Millennium Fund for the Idaho Meth Project. Methamphetamine is the largest drug problem in Idaho. The Governor supports the Idaho Meth Project's focus on research-based prevention and community efforts.

Office of Energy Resources

- The Governor created the Office of Energy Resources (OER) by Executive Order last fall, and the Legislature concurred this session. OER is responsible for coordinating and cooperating with federal and state agencies, departments and divisions, local governments and private partners on issues concerning the state's energy requirements, supply, transmission, management, conservation, and efficiency efforts.

Public Safety

Correction

- The Governor recommended and the Legislature authorized the Board of Correction to enter into an agreement with the Idaho Building Authority to finance and build a secure mental health facility that is projected to cost \$70 million. The 300-bed facility will create an appropriate facility to meet the needs of the Department of Correction and the Department of Health and Welfare.
- The Governor recommended bonding \$191 million for construction of a 1,500-bed publicly built, privately operated prison. The Legislature did not endorse this recommendation.
- The Governor recommended \$6 million over FY 2008 and 2009 to convert the Prison Industry Enterprise (PIE) building at the Idaho Correctional Center to a 304-bed minimum-custody housing unit. The Legislature appropriated \$5.6 million in one-time funding for this purpose. The additional beds will make it possible for the Department of Correction to keep more offenders in Idaho, close to their family support, at an estimated per diem rate of \$46.23 instead of the out-of-state per diem of \$58.00.
- The Governor recommended and the Legislature appropriated six FTP and \$1 million in a General Fund FY2008 supplemental (ongoing) to provide space for 64 administrative segregation beds at the Idaho Maximum Security Institution and to fund additional detention segregation beds at the South Idaho Correctional Institution. These additional beds will allow the state to better manage the recent escalation in the violent and disruptive gang activities within the prison system.
- The Legislature funded the Governor's recommendation for six FTP and \$312,700 in ongoing General Fund monies to provide an outside patrol at the Idaho Maximum Security Institution.
- The Governor recommended \$2.2 million in an FY 2008 supplemental to fund out-of-state and county jail placement of inmates. A total of \$6.9 million also was recommended in FY 2009 for the same purpose. The Legislature approved the use of reappropriated funds to cover the estimated cost of out-of-state and county jail placement costs in FY 2008 and reduced funding for FY 2009 by \$2 million, based on the revised incarcerated population forecast.
- The Governor recommended and the Legislature approved \$6,100 in ongoing General Fund dollars to establish a process that would allow the Parole Commission to intervene before a Report of Violation is submitted rather than send an offender back to prison.

Juvenile Corrections

- The Legislature appropriated 41.50 FTP and \$2.1 million to support the Governor's recommendation to fully launch a special expansion unit at the Nampa Juvenile Correctional Center. The 12-bed female and 12-bed male extension called "Solutions" will be a first-of-its-kind treatment center in Idaho directed to extremely difficult youth with substance abuse and mental health problems.

Idaho State Police

- The Legislature did not endorse the Governor's recommendation to shift funding of the Idaho State Police from the Highway Distribution Account to the General Fund.

- The Legislature funded \$1 million of the \$2 million Governor's recommendation for implementation of the second year of Project CHOICE (Creating Hope, Opportunity & Incentives for Career Employment).
- The Legislature funded a portion of the Governor's recommendation for six additional forensic scientists. The Legislature funded \$239,400 General Fund with no additional FTP. The Governor has the authority to increase the number of FTP at his discretion.
- The Legislature funded the Governor's recommendation for \$25,000 one-time from the General Fund to augment the Treasure Valley Special U.S. Attorney Project to address gang-related violence and prosecution in the federal court system. The funding will be shifted from the Office of the Attorney General to the Idaho State Police.
- The Legislature funded \$357,900 of the Governor's recommended \$715,700 in one-time General Fund dollars for the purchase of mobile data computers (MDCs), modems, and mountaintop repeaters for the Patrol Program. This continues a three-year build-out to supply patrol officers with MDCs to further enhance their efficiency and effectiveness by reducing officers' time in the office so that they can remain available for enforcement and assistance activities.

Commerce, Department of

- The Legislature partially funded the Governor's recommendation to provide financial support for the Special Olympics to be held in Idaho in 2009. \$1.5 million has been funded for FY 2008 and \$1.5 million for FY 2009.
- The Legislature did not endorse the Governor's recommendation to expand the state's trade office in India.

Health and Human Services

Health and Welfare, Department of

- The Governor recommended and the Legislature approved more than \$3 million for conversion of the Idaho State School and Hospital (ISSH) in Nampa to become a new state mental health facility. The proposal provides ISSH clients a less-institutionalized setting while addressing the shortage of mental health treatment.
- The Legislature endorsed the Governor's recommendation for implementing a Health Data Exchange system. The system is a private/public partnership that strives to improve the quality of care and health outcomes by using information technology.
- The Governor's recommendation includes funding annual flu shots for children ages 6 to 59 months and family members with infants younger than 6 months in the household.
- The Governor's recommendation includes funding for crucial information technology projects including child support collections, eligibility determinations, medical records, and Medicaid management.
- The Governor's recommendation includes support for the Department to collect the \$25 child support collection fee required by federal government from the non-custodial parent and provides General Fund monies to cover any shortage in collections.
- The Legislature transferred \$1 million the General Fund for the Health and Welfare Community Health Care Center Grant.

Education

- The Legislature did not fund the Governor's recommendation to increase the number of Idaho-sponsored positions in medical training.
- The Governor recommended and the Legislature approved \$200,000 in new funding (\$5.4 million total) in ongoing General Fund monies to fully fund the Superintendent of Public Instruction's initiative to provide every teacher \$350 for classroom supplies.
- The Governor recommended and the Legislature approved doubling the total amount of state liquor sales revenue that is dedicated to supporting Idaho's community colleges. The proposed legislation will annually provide \$200,000 each to the College of Southern Idaho, North Idaho College, and the College of Western Idaho.
- The Legislature funded the Governor's recommendation for the "Read To Me" program administered by the Idaho Commission for Libraries.
- The Legislature funded a portion of the Governor's recommended \$50 million for Opportunity Scholarships. A one-time transfer of \$10 million appropriation was provided to the Opportunity Scholarship Trust Fund for this initiative.
- The Legislature funded a portion (\$1.6 million) of the Governor's recommended \$1.8 million for initial operation of the Center for Advanced Energy Studies (CAES) in Idaho Falls. This will be a joint endeavor of Idaho State University, University of Idaho, and Boise State University.

Economic Development

Agriculture, Department of

- The Legislature approved the Governor's recommendation for \$4 million from the General Fund as the third and final installment of one-time funding for eradication and control of Eurasian Water Milfoil.
- The Legislature did not endorse the Governor's recommendation for \$5 million in one-time monies from the General Fund for individual projects addressing immediate water saving needs.

Self-Governing Agencies

Veterans Services, Division of

- The Governor recommended and the Legislature approved \$10.5 million in federal funds from the Veterans Affairs National Cemetery Grants Program for construction of a veterans' cemetery in eastern Idaho.
- The Governor recommended and the Legislature approved funding to make all three state veterans' homes Medicare certified in order to better serve Idaho's veterans.

Transportation, Idaho Department of

- The Legislature endorsed the Governor's recommendation for \$134 million in one-time GARVEE bonding authority to finance highway transportation projects.
- The Legislature did not provide any additional revenues for Transportation. The Governor's package would have provided \$250 million in revenue for Transportation that would have targeted the annual road maintenance shortfall.

Natural Resources

Environmental Quality, Department of

- The Legislature approved the Governor's recommendation for approximately \$850,000 to replace antiquated and damaged air monitoring equipment as well as data acquisition software.

Lands, Department of

- The Legislature approved the Governor's recommendation for \$1.5 million (ongoing) from the Endowment Fund for a planning and entitlement project.
- The Legislature approved the Governor's recommendation for one-time expenditure of \$300,000 in dedicated funds to begin an environmental assessment of the "Airport 7" property in Boise. This property previously was used as a dump site for unknown materials and cannot be used in its current condition.
- The Legislature approved the Governor's recommendation for increased dedicated spending authority for temporary firefighters during the fire season. These funds also may be used for additional firefighters during the peak season.

Parks and Recreation, Idaho Department of

- The Governor's recommendation includes over \$10 million in one-time monies from the General Fund and dedicated funds to help address the backlog of existing maintenance and repair projects at parks throughout the state. This includes such revenue-enhancing opportunities as new rental cabins. These cabins will provide a new ongoing revenue stream to help offset General Fund support in future years. The Legislature reduced the maintenance items by approximately \$1.0 million and only funded the rental cabin portion of the Governor's initiative.
- The Legislature approved the Governor's recommendation to provide additional spending authority for a recreation sticker registration system upgrade for snowmobiles, motorbikes, all terrain vehicles, boats, and the winter cross country ski program. This upgrade will enable online registration and renewal of stickers.

Water Resources, Department of

- The Legislature approved the Governor's recommendation for a \$20 million one-time General Fund transfer to the Water Resource Board for a comprehensive aquifer study and planning effort. This funding will be used to complete the Eastern Snake Plain Aquifer Model upgrades, Comprehensive Aquifer Management Plans and associated technical studies for the Lower Boise/Treasure Valley, Rathdrum Prairie, Big Wood, Moscow-Pullman, Mountain Home, Bear River, Teton, Big Lost, Portneuf, and Blackfoot basins (in priority order). The funding includes the Governor's recommendation for three FTP to support this initiative.
- The Legislature transferred an additional \$1.8 million in General Fund to the Water Resource Board to study the feasibility of enlarging Minidoka Dam and replacing Teton Dam.