

FY 2010 Budget Summary

Statewide

- At the time the Governor submitted his budget recommendation to the Legislature the revenue estimate for FY 2010 was \$2,659.3 million and had a beginning balance of \$8.1 million. After transfers and estimated expenditure the Governor's recommendation had a positive ending balance of \$4.3 million (4.05% decrease from the FY 2009 Projected Expenditure).
- Due to the economic downturn the revenue estimate was revised in March to be \$73.4 million less in FY 2009 and \$109 million less in FY 2010 from the original Governor's recommended revenue estimate.
- The total General Fund revenue available after legislative action and transfers to other funds that were approved during the 2009 session is estimated to be \$57.7 million.
- The 2009 session included new legislation that provides a decrease of \$40.2 million in General Fund transfers to and from dedicated accounts for specific activities. Transfers in include: \$30 million from the Budget Stabilization Fund; \$10 million from the Permanent Building Fund; \$1,680,000 from the Division of Human Resources cash on hand; \$1 million from the Department of Agriculture; \$446,900 from the Department of Labor – Rural Broadband; 4618,500 from the Attorney General – Consumer Protection; \$1,172,100 of American Recovery and Reinvestment Act (ARRA) Funds to the General Fund for Professional-Technical Education; and \$2.6 million from the Bond Levy Equalization from cigarette tax. Transfer out include \$85.1 to the Public Education Stabilization Fund to hold Public Schools harmless.
- The Governor's recommended limited expenditures from the state's four "rainy day funds" to no more than 35 percent of the total funds available over fiscal years 2009 and 2010 combined. The legislature approved the transfer of \$30 million from the Budget Stabilization Fund and \$10 million from the Permanent Building Fund for FY 2010.

General Government

- At the Governor's request, the Legislature funded from the ARRA money for the Idaho Education Network (IEN) within the Department of Administration. The IEN will be a coordinated, statewide telecommunications distribution system for distance learning for each public school in the state. This infrastructure investment will provide Internet access and telecommunications services for distance learning across the state.
- The Legislature provided \$20.5 million available in the Permanent Building Fund for addressing alteration and repair projects, funding for three remodel projects and funding for the purchase of real property. The three remodel/renovation projects include: the Kibbie Dome; Seiter Hall, and Idaho Public TV space in the Joe R. Williams building.
- Appropriated to the Governor's Office is \$7,032,300 in funding from the Budget Stabilization Fund. This funding can be used, at the Governor's discretion, to offset the effects of the 5% General Fund Personnel Cost reduction in any Executive Branch agencies if he determines such additional one-time funding is necessary for maintaining essential state government services. The Legislative Council and Judicial Branch also received the equivalent of the 2% personnel reduction from the Budget Stabilization Fund to use at their discretion for personnel costs deemed necessary to maintain essential service to the citizens of Idaho.

- The Legislature appropriated \$250,000 in FY 2009 to provide necessary funding to continue the work of redesigning Idaho's behavioral health system forward by the executive steering committee, as directed by Executive Order 2009-04.
- The Governor recommended and the Legislature supported the transfer of Serve Idaho FTP and spending authority out of the Governor's Office and to the Department of Labor.
- The Governor recommended one-time funding for the purchase of 55 acres for the construction of an operational readiness training complex for the Military Division. The federal government later committed to funding this purchase so that additional funding was no longer necessary.
- The Governor recommended and the Legislature supported additional Personnel Cost dollars, of which \$190,000 is for reclassifications and reorganization of federally classified employees and \$596,300 is to restore federal spending authority as a result of the Personnel Cost reductions.
- The Governor recommended and the Legislature supported one-time spending authority for a GIS data imagery project. In working with the Department of Administration, the Military Division will receive revenue from participating state, local, private, and federal land management agencies to collect geographical information for the state.
- The Governor recommended and the Legislature supported \$2.26 million in stimulus funding from the American Reinvestment and Recovery Act (ARRA). The funding will be used to install energy devices in Army National Guard facilities to save on energy costs.
- The Governor recommended and the Legislature supported \$500,000 in dedicated fund spending authority to begin the process of upgrading the entire IT system for PERSI.
- The Governor recommended funding for the Women's Commission to maintain their operations. The Legislature chose to zero-fund the commission.
- The Governor recommended the removal of certain temporary employees in the Tax Commission's Audit and Collections Program as part of the Governor's 4% holdback. The Legislature restored the funding for these temporary employees.
- The Governor recommended and the Legislature approved returning \$5 million to the General Fund appropriated in FY 2009 to the Capitol Commission for the purpose of purchasing new furniture for the expanded Capitol. The Governor recommends that the Commission use dedicated fund sources to cover these and all other Capitol expansion expenses.

Public Safety

- The Governor recommended, as part of his transportation package, a fund shift of \$3.2 million that would have phased out the Idaho State Police's (ISP) reliance on the Highway Distribution Account (HDA) over five years and would have replaced it with funding from the General Fund. However, as a compromise approach, the Governor and the Legislature determined to shift all of the distribution that ISP receives from the HDA to the Idaho Transportation Department, pursuant to HB 376. This amount has historically ranged between \$14.5 and \$16.5 million. This shift will become effective July 1st of FY 2011. A task force has been established,

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pursuant to HCR 32, to complete a study to identify alternative dedicated funding sources for the ISP on an ongoing basis to offset the funds shifted away from ISP to fund transportation.

- The Governor recommended three additional FTP in the ISP, Forensics Division to shorten the turnaround time for DNA and latent print analyses. Due to fiscal constraints, the Legislature did not appropriate funding for these positions.
- The Governor recommended and the Legislature supported one-time funding for furnishings and operating for the new ISP regional headquarters in Kootenai County.
- The Governor recommended and the Legislature supported \$25,000 in ongoing General Fund dollars to augment the Treasure Valley Special U.S. Attorney Project, which has proven very effective in confronting gang violence and allowing for prosecution in the federal court system.
- The Legislature appropriated almost \$2 million in Project CHOICE funds to fund capital replacement items, of which \$1.4 million is for 35 fully equipped patrol vehicles. It also appropriated \$2.8 million to be shifted from the Idaho Law Enforcement Fund to the Project CHOICE fund because of the shortfall that exists within the Law Enforcement Fund due to the decrease in HDA funding.
- The Governor recommended and the Legislature appropriated \$1.2 million in additional dedicated fund spending authority to further the funding of the Project CHOICE career ladder.
- The Governor recommended and the Legislature supported \$3.4 million in spending authority from ARRA Byrne JAG grant funding and \$823,000 for the STOP violence against women grant. This funding will help enhance ARRA eligible law enforcement and criminal prevention throughout Idaho.

Health and Human Services

- The Governor recommended and the Legislature approved an appropriation of \$500,000 for the Idaho Meth Project to further promote its powerful statewide message focused on prevention by highlighting the dangers of methamphetamine use.
- The Governor supported legislation restructuring the Medically Indigent Health Care Program (commonly referred to as Catastrophic Health Care). The legislation statutorily increased the county contribution, previously capped at \$10,000 per client to \$11,000, and engaged the Department of Health and Welfare to begin a uniform eligibility application process, third-party recovery and utilization management for better claims management.
- The Governor recommended and the legislature supported increased funding to complete two crucial Information Technology projects at the Department of Health and Welfare. Replacement of the state eligibility determinations system, or EPICS, and completion of the Medicaid Management Information System, or MMIS, will enable the Department to operate with better accuracy and more efficiency.

Education

- To help encourage more physicians to provide demanded medical services in Idaho, and especially within the state's rural areas, the Governor's recommendation, with legislative

endorsement, includes an expansion for Family Practice Residency. This budget enhancement will assist Idaho State University and Boise Family residency programs place additional medical students throughout the state.

- Application of American Recovery and Reinvestment Act (federal stimulus) funding sustains initial research at the Center for Advanced Energy Studies (CAES) in Idaho Falls with participating staff members assigned from Idaho State University, Boise State University, and the University of Idaho.

Economic Development

- The Legislature approved additional appropriation for the Invasive Species Fund from an additional fee place don boat registration to educate and combat the influx of Quagga and Zebra mussels. The department will set up washing stations to remove the mussels and raise awareness with the public on the dangers that these mussels present in Idaho waterways.
- The Governor's recommendation included one-time funding for the Idaho Rural Partnership (IRP). IRP works to increase the capacity of rural communities by conducting community reviews, providing leadership training for rural leaders, providing a forum for intergovernmental and interagency collaboration to resolve local issues and compiling the profile of rural Idaho to educate policy makers on the conditions and needs of rural communities. Due to budget constraints, the legislature did not allocate funding for IRP.
- The Governor's recommendation allocated funding for implementation of the Governor's initiative to grow the state's economy. Entitled "Project 60," this comprehensive approach to growth within the Department of Commerce aims at increasing the state's economic output while simultaneously limiting the impact of the current economic downturn. By focusing spending on areas of growth and maximum return on investment, the Governor's recommendation makes lemonade of the economic lemons being yielded by the current business climate. The legislature did not fund the Project 60 initiative with General Fund dollars.

Natural Resources

- The Governor's recommended and the Legislature approved approximately \$15 million in new funds from the Bonneville Power Administration and the Snake River Basin Adjudication for on-the-ground projects related to habitat and other species of special concern issues. The Office of Species Conservation also received two limited service positions to administer these new projects.
- The Governor's recommended using a combination of General Fund and dedicated funds to support the initial phase of the Coeur d'Alene Lake Management Plan. The Legislature approved using dedicated funds only. The plan reflects the overall Lake Management Agreement between the U.S. Environmental Protection Agency, The Department of Environmental Quality, and the Coeur d'Alene Tribe. Phase I will focus on the core program of coordination, monitoring and modeling, nutrient inventory, and educational outreach.
- As part of a more intensive silvicultural treatment, the Governor recommended and the Legislature approved an increase of \$500,000 in Endowment funds spending authority for increased forest fertilization, pre-commercial thinning, planting, logging slash treatments, and

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maintenance of the Endowment-owned road systems. The increased Operational Expenditures will allow the agency to thin an additional 3,560 acres per year. The agency projects this pre-commercial thinning will increase growth and volume by 35 percent to 50 percent, with a 5-percent to 7-percent expected return on investment.

- The Governor recommended and the Legislature approved approximately \$2.9 million to administer the large portfolio of office, retail buildings, and parking lots owned by the Endowments. This increase in Endowment funds spending authority will allow for the payment of increased utilities, housekeeping, common area, general and landscape maintenance costs and property management services, as well as enabling deferred life/safety maintenance needs to be addressed, and restoring the assets to a condition suitable for maintaining a revenue stream for the Endowments.
- The Governor recommended and the Legislature approved approximately \$500,000 in dedicated spending authority to enhance the motorbike program throughout the State of Idaho. The initiative will provide needed additional equipment, an educational DVD to be incorporated into the Idaho Department of Fish and Game's Hunter Education program, a Web-based GIS/mapping project, and a Trail Ambassador Pilot Project. This initiative will provide increased opportunities for off-highway riders throughout the state.
- The Governor recommended and the Legislature approved spending authority for the new wastewater systems at Farragut and Heyburn state parks. The systems will be in place in 2009 and will require staff to monitor operations and maintain the grounds around the systems.
- The Governor recommended and the Legislature approved reauthorization of \$1.0 million in one-time spending authority for continued development of Eagle Island State Park. This spending authority will be funded by gravel extracted from the park.