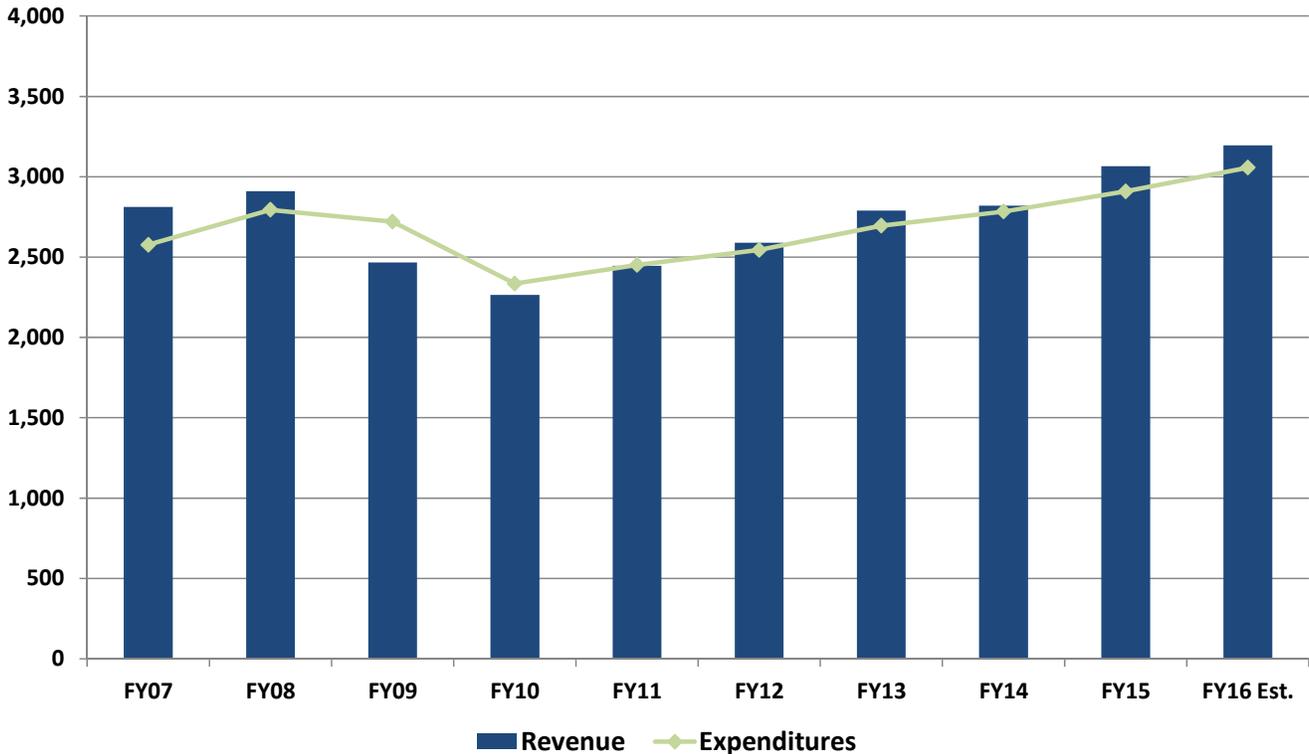


# FY 2016 Budget Highlights

## Statewide

- The Governor’s revised FY 2016 budget recommendation to the Legislature included a beginning balance of \$44,946,500 and a revenue estimate of \$3,183,609,000. After transfers and estimated expenditures, the Governor’s recommendation was a 5.39% increase from the FY 2015 Total Expenditures and was projected to end the fiscal year with a balance of \$113,459,500.
- The Joint Finance-Appropriations Committee (JFAC) adopted the Governor’s revenue estimate of \$3,183,609,000.
- After legislative action and transfers to other funds, the ending balance for FY 2016 is projected to be \$50,456,300.

**General Fund Revenue and Expenditures**  
**FY 2007 - FY 2016 Estimate**  
 (Millions)



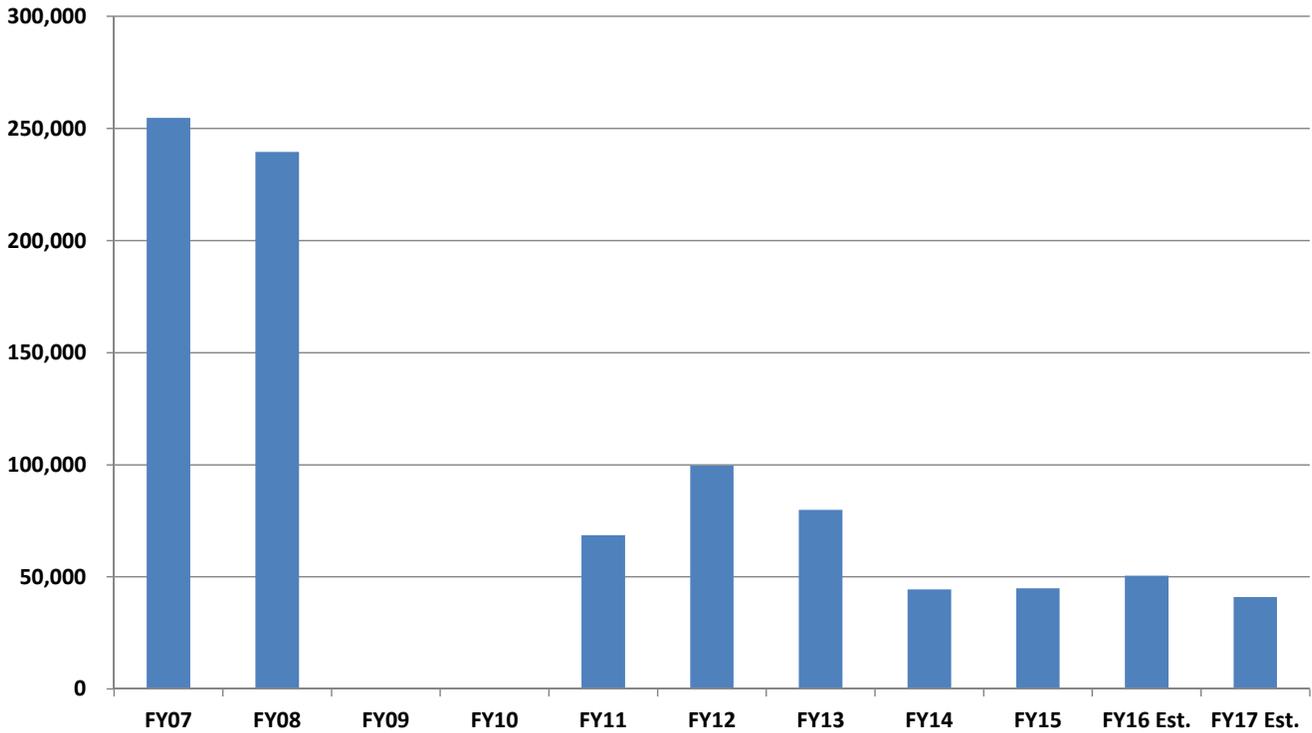
# FY 2017 Budget Highlights

## Statewide

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- The Governor’s revised FY 2017 budget recommendation reflected a 7.47% increase in spending. The Legislature’s final action on the General Fund budget reflected an overall spending increase of 6.55%.
- The Governor’s recommendation included \$87,400,000 in transfers to and from other funds. The Legislature approved \$44,700,400 in transfers to other funds.

**General Fund Ending Balances  
FY 2007 - FY 2017 Est.  
(Thousands)**



### K-through-Career

The Governor recommended and the Legislature appropriated funding to implement a number of recommendations from the Governor's Task Force for Improving Education. The Governor's recommendation for the Public School Support Program was an 8.2% increase over the FY 2016 General Fund appropriation, while the Legislature's appropriation was a 7.4% increase.

- **Career Ladder.** The Governor recommended \$41,961,200 and the Legislature appropriated \$41,516,500 in ongoing General Fund for the career ladder. Funding is for the second year of the five-year funding plan for the career ladder for certificated instructional employees and pupil service staff. Of the total, \$1,955,500 is attributable to the incremental increase of adding pupil service staff to the career ladder.
- **College and Career Advising.** The Governor recommended and the Legislature appropriated \$5,000,000 for college and career counseling for students, which is key to reaching Idaho's 60% goal. Consistent with the task force's recommendation, funds are appropriated specifically for districts to implement an advising model that best fits their needs.
- **Professional Development.** The Governor recommended \$5,000,000 and the Legislature appropriated \$2,375,000 in ongoing General Fund for teacher professional development, including mentoring.
- **Discretionary Funding.** The Governor recommended \$31,206,000 and the Legislature appropriated \$31,295,300 to fully restore discretionary funding. This additional funding increases the distribution factor from \$23,868 to \$25,696 and completes the restoration of discretionary funding to the FY 2009 distribution factor.
- **Classroom Technology.** The Governor recommended \$10,000,000 and the Legislature appropriated \$5,000,000 as part of the five-year funding plan to fulfill the recommendation that the state invest \$60,000,000 in classroom technology. This brings the ongoing total to \$18,000,000 for technology.
- **ADA Stability and Mobility.** The Governor recommended \$2,511,400 in ongoing General Fund for schools that experience enrollment growth throughout the school year. The Legislature passed HB 603, which addresses this issue at an estimated cost of \$1,055,400. Although funding was not appropriated, the expectation is that the Public Education Stabilization Fund will absorb this cost initially.
- **Mastery-based System Development.** The Governor recommended \$1,100,000 and the Legislature appropriated \$1,000,000 in ongoing General Fund to support the continued development of mastery-based education in Idaho, as reflected in statute.
- **Literacy Proficiency.** The Governor recommended \$10,700,000 and the Legislature appropriated \$9,100,000 in ongoing General Fund for literacy proficiency. In addition, \$2,150,000 of the existing base appropriation was designated for K-3 reading intervention. Funding will support increased intervention, including the option of full-day kindergarten for students who score below basic on the Idaho Reading Indicator (IRI), 20-hour interventions for students in first through third grades who score basic on the IRI, and interventions for students who score basic or below basic on the IRI alternative.
- **Statewide Wi-Fi Services.** The Governor recommended \$2,204,200 in ongoing General Fund and the Legislature appropriated \$2,100,000 in one-time General Fund for statewide wi-fi services. Funding will continue to support the expansion of wireless infrastructure to public schools.

## Summary Tables and Graphs

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In addition to the recommendations of the Governor's Task Force for Improving Education, funding was recommended and appropriated for other strategic investments in public school funding.

- **Information Technology (IT) Certificates Fund Shift.** The Governor recommended and the Legislature appropriated a fund shift of \$1,000,000 from the Public School Income Fund to the General Fund for IT certificates.
- **Science, Technology, Engineering, and Mathematics (STEM) Action Center Grants, Projects, and Program Administration.** The Governor recommended \$2,000,000 in ongoing General Fund, and the Legislature appropriated \$1,500,000 in ongoing and \$500,000 in one-time General Fund to promote STEM activities throughout Idaho by engaging educators and industry. Funding will support professional development for educators, pilot programs promoting STEM education, classroom grants, needs and gap analyses, outreach, and research.
- **STEM Computer Science and Coding Initiative.** The Governor recommended and the Legislature appropriated 1.0 FTP and \$99,000 in General Fund for a program manager to assist with the implementation of the computer science and coding initiative. The goal of this initiative is to implement computer science and coding instruction in schools across the state to better prepare secondary students for post-secondary success and eventual employment in this high-demand field.
- **STEM Education Fund.** The Governor recommended a \$10,000,000 one-time transfer from the General Fund to the STEM Education Fund, but the Legislature appropriated a \$2,000,000 one-time transfer. This transfer to the STEM Education Fund will support the programs and priorities of the state in advancing STEM education in Idaho public schools and post-secondary education institutions.
- **School Security Assessments.** The Governor recommended and the Legislature appropriated \$270,000 in ongoing General Fund for the creation of the Office of School Safety and Security within the Division of Building Safety. These funds will be combined with \$300,000 from the Public School Income Fund to examine all aspects of school security from a proactive point of view, including ongoing site assessments at schools statewide.
- **Idaho School for the Deaf and Blind Cottage Occupancy.** The Governor recommended and the Legislature appropriated \$189,500 in funding for repairs and ongoing costs to allow the Idaho School for the Deaf and Blind to open a cottage that will house ten new residential students and to bring another cottage into service for staff and visiting families.

In the higher education budget, the Governor and Legislature continued a K-through-Career focus.

- **Opportunity Scholarship.** The Governor recommended and the Legislature appropriated \$5,000,000 in ongoing General Fund to increase Opportunity Scholarship funding. This will allow for the award of 1,825 new scholarships at \$3,000 each and 1,572 renewals at \$3,000 each.
- **The Complete College Idaho Initiative.** The initiative addresses specific higher education needs in the state, including the following:
  - **Boise State University (BSU).** The Governor recommended \$1,413,900 and the Legislature appropriated \$962,400 in General Fund to improve college completion rates. The appropriation will be used to decrease reliance on adjunct instructors, add student advisors, and staff the learning assistant program.

- **Idaho State University (ISU).** The Governor recommended \$305,600 and the Legislature appropriated \$208,700 in General Fund to provide work and service opportunities for students to gain practical experience and learn more about the relevance of their academics to the workplace.
  - **University of Idaho (UI).** The Governor recommended \$790,000 and the Legislature appropriated \$538,700 in General Fund to increase advisory staff, including intervention specialists, tutors, counselors, and supplemental instructors.
  - **Lewis-Clark State College (LCSC).** The Governor recommended \$425,500 and the Legislature appropriated \$290,200 in General Fund to increase key faculty positions and retain staff.
  - **North Idaho College (NIC).** The Governor recommended \$158,900 and the Legislature appropriated \$133,000 in General Fund for student retention and transition efforts.
  - **College of Southern Idaho (CSI).** The Governor recommended and the Legislature appropriated \$242,500 in General Fund to develop a comprehensive approach to post-secondary dual-credit educational services for high school students.
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- **Enrollment Work Load Adjustment Restoration.** The Governor recommended \$3,469,300 and the Legislature appropriated \$3,491,200 in General Fund to offset the reduction from the formula-generated enrollment work load adjustment for four-year institutions and community colleges to avoid a reduction in the base appropriation in FY 2017.
  
  - **Higher Education Research Council (HERC) Undergraduate Research.** The Governor recommended \$300,000 and the Legislature appropriated \$200,000 in ongoing General Fund to increase the amount of awards and fellowships granted by HERC.
  
  - **BSU Materials Science and Engineering Research Initiative.** The Governor recommended and the Legislature appropriated \$617,100 in General Fund to fund three new faculty lines and five graduate assistants to enhance the Materials Science and Engineering PhD Program. The Micron Foundation provided \$13,000,000 for three years of start-up funding to create this program.
  
  - **Idaho National Laboratory (INL)/BSU Cyber Security Lab.** The Governor recommended and the Legislature appropriated \$360,000 in ongoing and \$640,000 in one-time General Fund for the development of a process control cybersecurity lab at BSU, in collaboration with the INL. This program will leverage the unique cyber security capabilities of INL to help expand Idaho's computer science talent pipeline and foster new research and development to identify methods to protect the state's resources and infrastructure.
  
  - **ISU Health Sciences Expansion - Meridian Campus.** The Governor recommended \$1,740,600 in General Fund and the Legislature appropriated \$580,000 in General Fund and \$1,160,000 in one-time funding from the Economic Recovery Reserve Fund to expand the Doctor of Physical Therapy Program at the Meridian Health Science Center. This program typically receives 250 applications for the 24 to 26 seats currently available each year on the Pocatello campus. The expansion of the Meridian Health Science Center will allow the university to admit between 48 and 50 students per year into the program. It is estimated that, with the increased capacity, the number of graduates will double within three to four years.
  
  - **UI Occupancy Costs.** The Governor recommended \$1,412,800, and the Legislature appropriated \$754,500, in General Fund for occupancy costs to cover the Aquaculture Research Institute Lab, the Integrated Research and Innovation Center, the education building, the Center on Disabilities and

## Summary Tables and Graphs

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Human Development - Alturas Park, and the Parma onion storage facility within the Agricultural Research and Extension budget. Funding for the University House was not appropriated.

- **UI Law and Justice Learning Center Rent.** The Governor recommended and the Legislature appropriated \$244,200 for rental costs at the remodeled Idaho Law and Justice Learning Center (formerly the Capitol Annex).
- **CSI Student Instructional Support.** The Governor recommended and the Legislature appropriated \$113,200 in ongoing General Fund to expand resources for post-gateway high-risk classes, such as biology, chemistry, high-level math, and nursing, based upon the success ratio of the courses. This will involve hiring skilled students, part-time staff, and adjunct faculty to assist in these areas. It is expected that there will be immediate results in retention and course completion rates because of this added support.
- **CSI Institutional Researcher.** The Governor recommended, and the Legislature appropriated, \$91,500 in General Fund for an institutional researcher position. This position will provide consistent support to the college's existing staff and will improve the process of generating needed reports for evaluation and decision making.
- **NIC Occupancy Costs.** The Governor recommended and the Legislature appropriated \$615,000 from the General Fund for occupancy costs for the Career and Technical Education facility and the Automotive Technology Center.
- **College of Western Idaho (CWI) Funding Equity.** The Governor recommended \$500,000 and the Legislature appropriated \$400,000 in General Fund to address the continued funding inequity among CWI, NIC, and CSI.
- **CWI Student Success.** The Governor recommended \$367,900 in General Fund for four advisors, one data analyst, and one engineering faculty position. The Legislature appropriated \$200,000 for three full-time positions to improve the student-to-advisor ratio and to provide outreach to special student populations.
- **Office of the State Board of Education Start-up Funding for Eastern Idaho Community College.** The Governor recommended and the Legislature appropriated a \$5,000,000 one-time General Fund transfer to the Higher Education Stabilization Fund for start-up funding, should voters approve the establishment of a community college district in eastern Idaho.
- **Five Additional Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) Seats.** The Governor recommended and the Legislature appropriated 1.0 FTP and \$278,900 from the General Fund to add five additional seats to the WWAMI medical education program. The added seats will bring the incoming Fall 2016 class to a total of 40, fulfilling the recommendation of the State Board of Education's medical education sub-committee.
- **Two Additional University of Utah School of Medicine (UUSOM) Seats.** The Governor recommended and the Legislature appropriated \$84,600 from the General Fund for two additional UUSOM seats for medical students. Funding will increase the incoming Fall 2016 class of students from eight to ten so that by FY 2020 there will be a total of 40 Idaho students enrolled in UUSOM medical school.

- **Family Medical Residency.** The Governor recommended and the Legislature appropriated \$180,000 for the third and final year of build-out costs for six residents of the Kootenai Health Family Medicine Residency program. By FY 2017, the final six residents will be added to reach the full capacity of 18 residents, with each to complete the full three-year residency training program.
- **Career Technical Education Post-secondary Capacity Expansion.** The Governor recommended and the Legislature appropriated 38.0 FTP and \$3,791,200 from the General Fund to build training capacity at six post-secondary institutions throughout the state to produce more graduates for high-demand jobs in health care, information technology, mechatronics, and transportation. On average, there are 2,180 annual job openings across these four major industry areas. However, capacity in the programs that train in these areas is limited, with annual program graduates at 542 and an average wait list of 825 across the four areas. The additional funding will provide an annual capacity expansion of 410 seats for jobs that have a median hourly wage of \$19.10 per hour.
- **Agriculture and Natural Resource Program Funding.** The Governor recommended and the Legislature appropriated \$325,000 in ongoing General Fund to continue the funding for incentives and start-up grants to enhance the quality and quantity of agricultural and natural resources education programs in high schools across the state.

### State Employees

The Legislature followed the Governor's recommendation for a 3% change in employee compensation to be based on merit with flexibility for directors to address agency needs, as well as for fully funding a larger-than-anticipated increase in health benefit costs, with no increased costs to employees. A FY 2016 transfer to the Group Insurance Account of \$13,140,000 to maintain the contractually required reserves was also appropriated.

### Strategic Investments

- **Office of Species Conservation Governor's Sage Grouse Initiative.** The Governor recommended \$500,000 in General Fund to continue efforts to protect the species and improve habitat. Projects include state and private land conservation and restoration efforts, continued support of Rangeland Fire Protection Associations, lek monitoring conducted by Idaho Fish and Game, and infrastructure mitigation. Funding was appropriated from the Economic Recovery Reserve Fund instead of the General Fund.
- **Idaho State Historical Museum Educational Exhibitions.** The Governor recommended up to \$4,000,000 in General Fund for exhibits at the Idaho State Historical Museum, contingent upon an agency fundraising match. In addition, \$4,000,000 in dedicated fund spending authority for matching funds for museum exhibits was recommended. The Legislature appropriated the \$4,000,000 in dedicated fund spending authority and appropriated \$4,000,000 from the Economic Recovery Reserve Fund instead of the General Fund.
- **Idaho Transportation Department Spending Authority Increase.** Ongoing dedicated fund spending authority of \$58,247,800 was appropriated for new user revenue generated in the State Highway Account related to the implementation of HB 132 and HB 312a.
- **Idaho Transportation Department Strategic Initiatives Program Fund.** One-time dedicated fund spending authority of \$54,700,000 in the Strategic Initiatives Program Fund related to FY 2015 surplus revenue was appropriated in accordance with HB 312a.

## Summary Tables and Graphs

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- **Idaho Transportation Department Federal Fund Increase.** Dedicated and federal fund spending authority equaling \$22,653,800 related to the Fixing America's Surface Transportation (FAST) Act was appropriated. The FAST Act is a federal multi-year transportation bill that was signed on December 4th, 2015. It provides increased federal funding for highway transportation and safety.

Increased funding to address costs associated with fires throughout the state was recommended and the Legislature concurred.

- **Department of Lands Fire Preparedness.** \$919,800 was split between General Fund and dedicated funds and was partially funded as a supplemental in FY 2016. Three positions will support the Fire Management Program and improve the initial attack response for fires. This personnel enhancement will allow the department to position firefighters more strategically with the goal of suppressing fires before they require Interagency Incident Management Teams, which are more expensive.
- **Department of Lands Fire Suppression Fund.** The Governor recommended a transfer of \$50,000,000 in FY 2017 to pay for firefighting costs incurred in previous years. The Legislature provided \$60,000,000 in FY 2016 and \$34,500,000 in FY 2017 for fire suppression costs.
- **Department of Lands Rangeland Fire Protection Association.** The Governor recommended \$140,000 in General Fund to provide personal protective equipment, communications equipment, training materials, and two heavy equipment mechanic positions to refurbish firefighting equipment for the formation of Rangeland Fire Protection Associations. Currently, there are six associations in operation with the potential of two to four more forming. Funding was appropriated from the Economic Recovery Reserve Fund instead of the General Fund.

The Governor recommended funding to support water management and sustainability initiatives and the Legislature concurred.

- **Department of Water Resources Staff for Surface Water Coalition (SWC) Settlement Agreement.** The Governor recommended and the Legislature appropriated \$546,100 in General Fund for four positions to support the implementation and enforcement of new water measurement and reporting requirements within the Eastern Snake Plain Aquifer (ESPA). The SWC agreement requires installation of flow meters on approximately 4,000 wells within the ESPA by 2018. One position will be dedicated to general water district assistance including water district creation and modification, water distribution complaints, and water delivery call investigations.
- **Department of Water Resources Water Sustainability Projects.** The Governor recommended and the Legislature appropriated \$5,000,000 in ongoing General Fund for state-sponsored water conservation and enhancement programs and projects pursuant to the Water Resources Board water sustainability policy. In addition, the Governor had recommended \$16,500,000 in one-time General Fund to replace revenue from the cigarette tax that he had proposed re-directing. The Legislature chose to retain the current distribution of cigarette tax revenue and thus appropriated \$2,500,000 one-time from the Economic Recovery Reserve Fund.

The Legislature also concurred with recommendation made by the Governor for important investments in health and human services to provide better outcomes for Idahoans.

- **Department of Health and Welfare, Community Crisis Center.** The Governor recommended one-time and ongoing General Fund for an additional Community Crisis Center. Because of the necessary implementation time, the Legislature appropriated partial-year funding to establish two Community Crisis Centers, with the intention of providing the remaining ongoing funds in FY 2018.
- **Department of Health and Welfare, Expanded Access Program for Epilepsy.** The Governor recommended and the Legislature appropriated \$128,000 in General Fund to support the Expanded Access Program. Expanded Access is a pathway created by the United States Food and Drug Administration (FDA) that gives patients access to certain investigational drugs that have not yet been FDA-approved. The Governor created an Expanded Access Program on April 16, 2015, in Executive Order 2015-03 as a treatment option for children with treatment-resistant epilepsy. The program provides Epidiolex, a medication not yet FDA-approved or commercially available, for up to 25 Idaho children with severe seizure disorders.

Additional funding for public safety was recommended by the Governor and the Legislature concurred.

- **Public Defense Reform.** The Governor reserved \$5,000,000 in General Fund for efforts of the Legislature's interim committee to reform the Public Defense system. The Legislature provided \$5,066,500 for grants to counties and \$416,300 and 4.50 FTP for the Public Defense Commission.
- **Idaho State Police (ISP) Regional Communications Centers (RCC) Console/Recorder Systems.** The Governor recommended \$967,900 in General Fund to replace the integrated radio/phone console and recording systems at the RCC. The Legislature concurred, but provided the one-time costs of \$669,000 for the purchase of the system from the Economic Recovery Reserve Fund. In addition, the Governor recommended, and the Legislature appropriated, \$170,000 in General Fund to the Department of Health and Welfare Emergency Medical Services for its portion of the integrated radio/phone console.
- **ISP Regional Communications Officer (RCO) Retention Pay Plan.** The Governor recommended and the Legislature appropriated \$179,000 in ongoing General Fund to implement a retention plan to address high turnover in the RCO positions. Annual turnover in the RCO positions averaged 21.6% over the past five fiscal years. It currently takes up to eight months of training at a cost of \$37,400 to hire a new RCO. ISP's starting hourly rate is far below the average competing agency starting rate.
- **ISP RCO Staffing.** The Governor recommended and the Legislature appropriated \$257,000 to add a dispatch systems programmer analyst to administer Idaho's migration to geospatial routing and three RCO - one in Coeur d'Alene and two in Meridian - to meet increasing demands for service.