



FY 2022 Budget Activity Summary

The Executive Budget for FY 2022 reflects Governor Little's continued focus on investments in education, job growth, economic opportunity, and ensuring Idaho is the place where our children and grandchildren will choose to stay.

- **Makes Significant Investments in Economic Stimulus Projects.** The enacted budget includes Governor Little's *Building Idaho's Future* investment package that reinvests \$330 million of General Fund and \$35 million in federal funds to make critical improvements including roads, bridges, rail, water infrastructure projects, outdoor recreation and broadband. These projects will get Idahoans back to work and make long-lasting contributions to Idaho's future economic prosperity.
- **Provides Record Tax Relief.** The enacted budget provides approximately \$445 million in tax relief for Idaho families and small businesses, including \$163 million in permanent income tax cuts to boost Idahoans' prosperity while keeping our tax rates competitive and our business climate vibrant, and \$8 million in ongoing property tax cuts offset by General Fund.
- **Achieves Historic Transportation Investment.** The enacted budget includes the single largest increase in transportation infrastructure in state history, allowing the state to bond for \$1.6 billion over a twenty-year period for large infrastructure projects on the state highway system.
- **Bolsters State's Fiscal Position.** The budget bolsters state rainy day funds by \$263 million, augmenting the state's preparedness for economic uncertainty as federal funding tapers off. This provides Idaho the largest reserve fund balance in state history.
- **Invests in Education.** In total, funding for K-12 grows 12% this year and 29.7% next year. The Governor's budget fully implements the new career ladder build-out of the advanced professional rung and makes significant new investments in career technical education.

Building Idaho's Future Investment Package

- **Transportation Infrastructure.** The Governor recommended and the Legislature appropriated \$120 million for state and local highway infrastructure projects, \$2 million to assist with rail infrastructure and safety improvement, and \$4 million in funding for community airport improvements. The Governor signed legislation to increase the sales tax distribution to transportation from 1% to 4.5% for a sustainable funding mechanism. The increased sales tax distribution to the department is capped at \$80 million for FY 2022, with the amount in excess of \$80 million dedicated to local units of government for roads and bridges. This will allow the department to bond for \$1.6 billion over a twenty-year period for large infrastructure projects on the state highway system.
- **Water and Agriculture Infrastructure.** The Governor recommended and the Legislature appropriated \$60 million to support major water infrastructure projects prioritized by the Idaho Water Resources Board and drinking water and wastewater projects in rural Idaho communities vetted through the Agricultural Best Management Practices program.
- **Broadband Infrastructure.** The Governor recommended \$35 million and the Legislature appropriated \$45 million for broadband investments to enhance internet connectivity.
- **Economic Development.** The Governor recommended and the Legislature appropriated \$4.3 million for outdoor recreation, with an emphasis on outdoor trails to catalyze tourism in Idaho's rural communities. The Governor also recommended and the Legislature appropriated \$1 million to the Opportunity Fund to help with the recruitment and retention of businesses in Idaho.
- **Education Investments.** The Governor recommended and the Legislature appropriated \$20 million to enhance literacy and other educational outcomes given the education disruptions associated with COVID-19. The Governor recommended and the Legislature appropriated \$4.8 million in investments in career technical education. The Governor also recommended \$5.5 million for investments in higher education, namely a zero-cost textbook program and the advancement of priorities from the Huron Report that will improve collaboration across universities and yield savings over time. Of the \$4.5 million recommended for an e-procurement system and an enterprise resource planning and assessment system, the Legislature appropriated \$3 million, of which \$2.5 million is for an e-procurement system and \$500,000 for an enterprise resource planning study.
- **Public Safety.** The Governor recommended and the Legislature appropriated \$964,000 to defend our state police and provide them with the tools and resources they need to be effective in keeping our communities safe.
- **Capital Construction and Repair Projects.** The Governor recommended and the Legislature appropriated \$96.2 million in capital construction projects to be overseen by the Permanent Building Fund Advisory Council. Within this amount, the Legislature

appropriated \$45.7 million for miscellaneous alterations and repairs throughout the state, \$3 million for the University of Idaho's Parma Research and Extension Center, \$700k for two University of Idaho greenhouses to increase seedling production, \$10 million to the College of Eastern Idaho's Future Tech facility, and \$7.4 million to the Youth Challenge program. This amount also includes overdue infrastructure, including \$23 million for the Department of Correction to expand in-state capacity and reduce the revolving door of recidivism, and \$6.4 million for the Department of Juvenile Corrections St. Anthony campus. This funding distribution was consistent with the Governor's recommendation with the only difference being the allocation of the \$30 million recommended for capital projects as determined by the Legislature. Of the total, an additional \$23 million was added to the alteration and repairs recommendation of \$22.7 million, making the total \$45.7 million, and the remaining \$7 million was added to the \$3 million recommended for the College of Eastern Idaho's Future Tech facility, making the total \$10 million.

Investing in K-through-Career Education

- **Career Ladder.** The Governor recommended and the Legislature appropriated \$44.9 million for career ladder growth, including increases for our most experienced teachers.
- **Advanced Opportunities.** The Governor recommended and the Legislature appropriated an additional \$9.7 million, bringing the total to \$29.7 million, to accommodate the increasing number of students utilizing Advanced Opportunities, the program with which high school students earn college or technical credits at no cost. An additional \$750,000 was appropriated in the Department of Education budget to provide advanced opportunities for private school students.
- **Teacher Health Insurance.** The Governor recommended and the Legislature appropriated \$10.6 million to cover the rising health insurance costs for school districts.
- **Enrollment Workload Adjustment.** The Governor recommended and the Legislature appropriated \$3.3 million to the colleges and universities for an Enrollment Workload Adjustment as generated by the formula that compares student credit hour levels over three consecutive years.
- **Substance Abuse and Mental Health Services.** The Governor recommended and the Legislature appropriated \$1.2 million in federal fund spending authority to build a sustainable framework that will embed mental health clinicians in rural schools.
- **School Safety and Security.** The Governor recommended and the Legislature appropriated \$242,000 in one-time General Fund to continue the tip line and threat assessment programs for the Office of School Safety and Security. Per the Governor's recommendation, the program was moved to the State Board of Education.
- **Career Technical Education Apprenticeship Grant.** The Governor recommended and the Legislature appropriated \$648,000 in one-time federal fund spending authority and 1 FTP for a U.S. Department of Labor apprenticeship grant that will provide opportunities

in information technology, advanced manufacturing, and healthcare.

- **Workforce Development Council Youth Apprenticeship.** The Governor recommended and the Legislature appropriated \$749,000 and 1 FTP in federal fund spending authority for the second year of a 4-year, \$2.5 million grant to serve 400 youth apprentices in Idaho and at least 300 Idaho employers.
- **Public Education Stabilization Fund (PESF) Transfer.** The Governor recommended a one-time transfer of \$31 million to PESF to replace funds depleted in FY 2020. The Legislature appropriated an additional \$3.3 million for a total of \$34.3 million.
- **Idaho Digital E-Book Alliance (IDEA).** The Governor recommended \$307,000 in ongoing General Fund to ensure IDEA, initially launched in October 2020 in response to COVID-19, becomes a statewide sustainable program to enhance literacy by purchasing e-books for K-12 students.

Investing in Health and Human Services

- **Medicaid Expansion.** The Governor's budget recommendation continued to implement Medicaid expansion under Proposition 2. Given both the growing enrollment and Per Member Per Month costs, it is not possible to implement with a net-zero impact on the General Fund. The Governor recommended \$12.5 million cost-share with the counties to capture the savings counties have realized from Medicaid Expansion. The Legislature adopted the Governor's recommendation for counties to contribute to Medicaid Expansion costs and passed HB 316a which restructures the county and state medically indigent program and shifts the state aid to public health districts to counties to account for counties' Medicaid Expansion contribution.
- **Increased Medical Residency Capacity.** The Governor recommended and the Legislature appropriated \$900,000 for 15 new medical residents to address the shortage of physicians in the state and continue implementation of the 10-year Graduate Medical Education plan. This year's build-out continues the focus on rural healthcare and psychiatric care.
- **Increased Nursing Capacity.** The Governor recommended and the Legislature appropriated \$1 million ongoing General Fund for postsecondary nursing programs at Lewis-Clark State College, North Idaho College, College of Western Idaho, and College of Southern Idaho. These funds will go toward hiring additional faculty and developing the programming necessary to increase the capacity of Idaho's nursing programs and produce more nursing graduates across the state.
- **Expanding Mental Health Treatment.** The Governor recommended and the Legislature appropriated 24.5 FTP and a transfer of \$2.4 million from State Hospital South to State Hospital North for Joint Commission Accreditation to allow State Hospital North to bill Medicaid as an IMD facility.

- **Community Recovery Centers.** The Governor recommended and the Legislature appropriated \$450,000 in one-time funds for community-based recovery centers to help individuals with substance use disorders.
- **Overdose Data to Action Grant.** The Governor recommended and the Legislature appropriated \$190,000 in one-time federal fund spending authority for the Overdose Data to Action Grant which hired and trained toxicologists to perform toxicology testing on approximately 250 death investigation cases coming from coroner offices in Idaho.
- **Statewide Opioid Tracking.** The Governor recommended and the Legislature appropriated \$428,000 in ongoing dedicated fund spending authority to fund the annual operation and maintenance of Statewide Gateway and NarxCare within the Prescription Drug Monitoring Program. These tools enhance the tracking of opioids and provide decision-support tools to healthcare providers to improve prescribing and dispensing decisions.
- **Enhancing State Veteran Homes.** The Governor recommended and the Legislature appropriated \$7 million in total funds for life safety and COVID-19 projects at the Lewiston and Pocatello State Veterans Home facilities, and for design changes at the Post Falls State Veterans Home to mitigate the impacts of COVID-19.

Investing in Public Safety

- **St. Anthony Work Camp Expansion.** The Governor recommended and the Legislature appropriated \$3 million in total funds for the start-up and staffing costs for the St. Anthony Work Camp expansion that is expected to open 130 beds by September 2021. This facility will provide additional housing for Idaho's offender population while preparing offenders for a positive reentry into the community.
- **State Police Infrastructure.** The Governor recommended and the Legislature appropriated \$2.6 million in one-time capital outlay for repair and replacement items, including the replacement of 29 vehicles, 62 ballistic vests, and improvements to forensics lab equipment.
- **Judicial Branch.** The Governor recommended and the Legislature appropriated \$273,000 for a new district judge and court reporter to be chambered in Canyon County. The Governor also recommended and the Legislature also appropriated \$272,000 for two new magistrate judges to be chambered in Canyon County.
- **Internet Crimes Against Children.** The Governor recommended and the Legislature appropriated \$130,000 for replacement items for the Attorney General's Internet Crimes Against Children task force, including forensic processing workstations.
- **Juvenile Offender Case Management.** The Governor recommended and the Legislature appropriated \$450,000 in one-time General Fund to update the juvenile justice system's case management software.

Investing in Agriculture and Resource Management

- **Fire Suppression.** The Governor recommended and the Legislature appropriated a one-time transfer of \$20 million to the Fire Suppression Deficiency Fund to ensure the Department of Lands has the resources necessary to combat fires on six million acres of private, state, and federal lands in Idaho.
- **Department of Lands Fire Program.** The Governor recommended and the Legislature appropriated \$1.1 million in total funds and 11.0 FTP to augment the fire program and ensure the state is maximally prepared to respond to and investigate fires.
- **Shared Stewardship Program.** The Governor recommended and the Legislature appropriated \$450,000 in ongoing General Fund to bolster Idaho's Shared Stewardship Program to protect and manage wildlife and watershed restoration projects on various private, state, and federal lands throughout Idaho.
- **Good Neighbor Authority.** The Governor recommended and the Legislature appropriated \$90,000 in one-time General Fund to purchase vehicles for foresters associated with Good Neighbor Authority (GNA) who are implementing forest management activities under GNA occurring on the Idaho Panhandle and Nez Perce-Clearwater National Forests.
- **Sage Grouse Study.** The Governor recommended and the Legislature appropriated \$75,000 to support the continuation of a 10-year University of Idaho study to analyze the impact of grazing on the sage grouse population.
- **Agricultural Best Management Practices.** The Governor recommended and the Legislature appropriated a one-time transfer of \$279,000 to the Agricultural Best Management Practices Fund to support implementation of projects in high-priority watersheds throughout Idaho.
- **Coeur d'Alene Lake Study.** The Governor recommended and the Legislature appropriated \$573,000 in one-time dedicated fund spending authority to assess the water quality of Coeur d'Alene Lake. The first phase will focus on evaluation of the health of the lake and the second phase will discuss the implication of and offer recommendations for management actions that could improve the water quality.
- **Bear River Basin Adjudication.** The Governor recommended and the Legislature appropriated \$354,000 in General Fund to begin the last adjudication phase in Idaho for the Bear River Basin which is anticipated to take 10 years to complete.
- **Billingsley Creek Campground.** The Governor recommended and the Legislature appropriated \$4.4 million in total funds to augment the Billingsley Creek unit of Thousand Springs State Park with a 50-spot RV campground and the addition of interpretive exhibits at the visitor center currently under construction.

Enhancing State Government

- **Easing Citizen Engagement in State Government.** The Governor recommended and the Legislature appropriated \$375,000 for a one-stop shop that will house the public agendas for all state agencies. Citizens will be able to subscribe to agendas for specific agencies or for specific meeting functions (e.g., rulemaking). The website will make it easier for citizens to engage in state government and participate in upcoming meetings.
- **Local Government Budget Transparency.** The Governor recommended \$1.7 million and the Legislature appropriated \$1.5 million to advance a priority of the Legislature's Property Taxes and Revenue Expenditures Study Committee. This would support the collection and reporting of local government budget and expenditure numbers through the Transparent Idaho website.
- **State Employees.** The Governor recommended and the Legislature appropriated a 2% Change in Employee Compensation for permanent state employees to be based on merit and a 2% pay structure shift.
- **Consolidates Occupational Licensing.** The Governor consolidated 11 licensing agencies into a single agency – the Division of Occupational and Professional Licensing – a one-stop shop intended to serve citizens more efficiently. The Governor recommended and the Legislature appropriated \$5.8 million in moving expenses to bring the agency under one roof at the state's Chinden Campus.
- **27th Payroll Fund.** In most years, Idaho has 26 payroll periods, and every 11 years the state incurs a 27th payroll period. When this occurs, the state sees a significant increase in salary and variable benefit costs for the fiscal year. This will next occur in FY 2028. Rather than wait until that time to cover this known cost, the Governor recommended creating a new fund and setting aside \$3 million annually to prepare. To that end, the Governor recommended and the Legislature appropriated \$15 million to this fund to catch up since the last instance of a 27th payroll.