

FY 2011 Budget Highlights

Statewide

- The Governor recommends building a State budget that recognizes the tough choices facing State leaders. Throughout the entire budget, emphasis is placed on essential functions of government that directly impact the lives, safety and prosperity of all Idahoans. Significant reductions in a number of nonessential programs are included in order to ensure the continued operation of those functions most central to the proper role of government.
- While State revenues have shrunk significantly when compared to prior years (the newly revised FY 2010 revenue figure is 4.72 percent below the previous year and the current FY 2011 revenue estimate is for limited growth of only 3.57 percent), the Governor recommends a balanced budget that addresses important State priorities without any tax increases. Furthermore, the Governor’s plan fully implements the scheduled phase-in of the Grocery Tax Credit increase authorized by the 2008 Legislature.
- No employee salary increases – no increased funding for raises in any fund category. Includes only the mandatory funding for constitutional officers’ pay.
- No inflationary adjustments or replacement capital from the General Fund.
- Fully funds change in employee benefit costs.
- Provides a one-time savings in FY 2011 from a two-month health insurance premium holiday.
- Eliminates over 400 state positions, of which most are current vacancies.
- The Governor’s recommendation limits expenditures from the State’s three “rainy day funds” and the non-endowed portion of the Millennium Fund to no more than 88.3 percent of the total funds available over fiscal years 2010 and 2011 combined. The chart below details these expenses.

Fund	Balance (Jan. 1, 2010)	Utilized in FY 2010	Utilized in FY 2011	Ending Balance	% Spent
Public Education Stabilization Fund	\$72,174,100	\$49,255,500	\$0	\$ 22,918,600	68.25%
Economic Recovery Reserve Fund	\$68,863,700	\$20,000,000	\$48,863,700	\$0	100%
Budget Stabilization Fund	\$64,325,100	\$0	\$54,993,200	\$9,331,800	84.57%
Millennium Fund (non-endowed)	\$71,579,600	\$0	\$71,562,600	\$17,000	99.98%
Total All Funds	\$276,942,500	\$69,255,500	\$175,419,500	\$32,267,500	88.34%

Summary Tables and Graphs

- The Governor's recommendation fully integrates several legislative priorities that his office plans to advance during the 2010 legislative session, including the beginning of a four-year phase out of General Fund support for:
 - Human Rights Commission
 - State Independent Living Council
 - Developmental Disabilities Council
 - Deaf and Hard of Hearing Commission
 - Hispanic Commission
 - Idaho Public Television
- The Governor's recommendation includes the elimination of the Department of Parks and Recreation, with park maintenance being transferred to the Department of Lands and the fees portion being transferred to the Department of Fish and Game. The combination will result in fiscal year savings of \$10 million with ongoing savings of \$7 million annual. The goal is to ensure the continued operation of Idaho parks for residence and visitors.

Education

- Includes \$200,000 for Statewide Longitudinal Data System.
- Includes \$3 million from Albertson's Foundation for Idaho Education Network.
- Replaces American Recovery and Reinvestment Act (ARRA) money in K-12 with State General Fund money.
- The Governor recommends \$11,173,200 in remaining ARRA-State Fiscal Stabilization-Education and discretionary Government Services funding for higher education institutions.
- Establishes ongoing \$1,591,100 General Fund budget to operate the Center for Advanced Energy Studies (CAES) in Idaho Falls.
- Designates \$1.0 million from the General Fund for FY 2011 needs-based Idaho Opportunity Scholarship awards.
- Includes \$1,487,400 in miscellaneous revenue spending authority to augment Family Practice Residency budget with external funding contributions.

Health and Human Services

- The Governor's recommendation includes \$38 million in new, ongoing monies for Medicaid, \$71 million in Federal Medical Assistance Percentage (FMAP) to be funded from the Millennium Fund and Budget Stabilization Fund only if necessary, and \$26 million in General Fund cuts.
- The Governor's recommends ongoing funding for Medicaid Management Information System (MMIS).

- The Governor's recommendation includes \$4 million in both FY 2010 and FY 2011 for the Catastrophic Health Care Fund.
- The Governor recommends a FY 2010 supplemental appropriation of \$250,000 in federal spending authority for an aging and disability resource center (ADRC) grant from Medicaid. The funding will be used to finish the work started in FY 2009 to complete the Northern Idaho Aged and Disabled Resource Center (ADRC) pilot project as well as begin expanding the ADRC project statewide. Additional federal funding in the amount of \$230,000 for FY2011 will be used to complete the implementation of the centers statewide.

Public Safety

- Fully funds operation of Correctional Alternative Placement Program (CAPP).
- Fully funds Office of Drug Policy and drug treatment requests from the Millennium Fund.
- Provides \$80,000 in FY 2010 and another \$80,000 in FY 2011 for State Appellate Public Defender cases.
- Uses CHOICE fund balance to offset expenses at Idaho State Police.
- Provides CHOICE spending authority to fund additional points in the CHOICE career ladder.
- The Governor recommends \$274,200 in one-time spending authority in federal funds to enhance the information sharing capabilities of the Idaho State Police - Idaho Criminal Intelligence Center. Idaho is a member of an information-sharing network to law enforcement agencies in a ten-state area considered one of the most vulnerable to our nation's security. The grant funding will be used to improve collection, use and sharing of critical law enforcement information and use of common standards.
- The Governor recommends \$367,200 in federal and dedicated fund spending authority for the purchase and installation of 211 vehicular repeaters in marked patrol vehicles. This will ensure optimal reception for officers when they are away from their vehicles and need to communicate with dispatch centers. Officer and public safety will be enhanced with the purchase of these vehicular repeaters.
- The Governor recommends \$49,100 in additional spending authority in the Peace Officers Standards and Training (POST) dedicated fund to purchase and maintain distance learning materials and equipment for distance learning opportunities to 143 criminal justice agencies. POST's distance learning will tie into the new Idaho Education Network and allow POST to broadcast live, interactive criminal justice training to five other locations at any one-time.

Summary Tables and Graphs

Natural Resources

- The Governor's recommendation includes \$900,000 for an aquatic weed program at the Department of Agriculture. Current funding for Eurasian water milfoil treatment and eradication, which started in FY 2007, will end in FY2010. This funding ensures continued eradication efforts as well as management of treated areas.
- The Governor's recommendation includes \$1 million in ARRA funds to be used as match for private funding for Comprehensive Aquifer Management Program.
- The Governor's recommendation defers General Fund payment of the State's \$464,800 in water right claim filing fees for the Northern Idaho Adjudication.
- The Governor's recommendation includes funding for building improvements at the Department of Lands.
- The Governor's recommendation includes \$1.3 million in General Fund savings from the re-structure of the Idaho Soil Conservation Commission. The recommendation reflects initial work done by a legislative interim committee and seeks to preserve local conservation efforts while creating General Fund savings.

Economic Development

- The Governor's recommendation allocates \$300,000 to advance "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.
- As part of the Department of Commerce's zero-base budgeting, the Governor recommends transferring funding and 1.0 FTP for the Governor's northern Idaho representative from the Department of Commerce to the Governor's Office.

General Government

- As part of the zero-base budgeting initiative, the Governor's recommendation includes investment in efforts to consolidate statewide information technology services at the Department of Administration. The Governor recommends the transfer of FTPs from seven different agencies into the Department of Administration. As services and billing are consolidated within the department, savings will be realized as a result of reducing redundant services.
- The Governor recommends \$31,000 for a FY 2010 General Fund supplemental to the Tax Appeals Board to offset an estimated 400 additional tax appeals.
- The Governor recommends \$13 million in dedicated fund spending authority for the upgrade of the Public Employee Retirement System's core membership, employer, and benefit payment technology. This funding will allow for the continuation of the project that received start-up funding in FY 2010.

Summary Tables and Graphs

- The Governor recommends a transfer in the amount of \$1,500,000 from the Budget Stabilization Fund (BSF) to the Tax Commission. Per S 1227 of the 2009 Legislative Session, the Governor has the authority to transfer funds from the BSF to any Executive Branch agency receiving General Fund for the purpose of Personnel Costs during FY 2010.
- The Governor recommends ongoing General Fund monies totaling \$1.5 million to the Tax Commission to support auditors hired to help close the tax gap between what is collected in tax revenue and what could be collected from non-payers.
- The Governor recommends \$3,311,500 from the Millennium Income Fund for the Idaho Supreme Court's youth courts and status offender programs (\$420,000), Idaho State Police's monitoring of the sale of tobacco to minors (\$94,000), community-based substance abuse treatment for the felony re-entry population (\$1,859,200), the Office of Drug Policy (\$438,300), and the Idaho Meth Project (\$500,000). The Governor recommends that the remaining amount of \$2,530,900 be returned to the corpus of the Millennium Fund to contribute to the portion held in reserve for the potential Federal Medical Assistance Percentage (FMAP) rate increase.