

The following brief information is provided to present the perspective on the recommendations contained in the *Executive Budget*. Further information is available in the *Executive Budget Detail* pages for each agency, which can be found at <http://dfm.idaho.gov/>.

### ***Budget Approach***

The budget approach utilized in the FY 2011 *Executive Budget* reflects the emphasis the Governor is putting on improved accountability and span of control in state government's management structure.

### ***FY 2010 Budget Highlights***

- The FY 2010 General Fund budget recommendation totals \$2,434,170,800. This is a decrease of 10.51% from the prior year and a decrease of \$72.4 million from the projection used at the end of the 2009 session.
- It incorporates the four percent holdback issued in September as an ongoing base reduction. For FY 2010 only, the impact of this action to public schools is offset by a \$49 million transfer from the Public Education Stabilization Fund. The holdback totals four percent of the General Fund appropriation and is tiered across agencies.
- In addition, it includes a further one-time General Fund reduction for Executive Branch agencies and departments, including public schools. This second holdback totals another 1.6 percent of the General Fund appropriation and equates to \$40 million.
- Although the Governor remains strongly committed to the project, economic necessity requires that the budget remove funding for University of Idaho – Idaho Center for Livestock and Environmental Studies. The Governor will seek to restore this funding in the future.
- All deficiency warrants have been covered (\$7,727,000) and only limited and necessary supplementals (\$12,872,700 in General Fund) are included.
- The recommendation transfers \$20 million from the Economic Recovery Reserve Fund.
- FY 2010 is currently projected to end the fiscal year with an unspent balance of approximately \$1,014,300 that is carried forward into the FY 2011 budget for additional one-time disposition.

### ***FY 2011 Budget Highlights***

- The FY 2011 General Fund revenue estimated is \$2,432,940,000. This reflects an increase of approximately 3.57% over FY 2010.
- Despite the increase in the official DFM revenue estimate, the FY 2011 budget recommendation is based upon zero revenue growth over FY 2010.
- The recommendation accounts for the full implementation of the next step of the Grocery Tax Credit increase authorized by the 2008 session.
- The FY 2010 holdback issued by the Governor in September 2009 is made ongoing, including public schools.
- For FY 2011, the budget incorporates an additional one-time reduction in the base budgets of all General Funded Executive Branch agencies and departments, including public schools. This action will require a waiver of federal stimulus maintenance of effort requirements in higher education. The waiver application has been submitted.
- The budget calls for the elimination of the Department of Parks and Recreation.
- It funds growth in the public schools budget at the same number of units as FY 2010.
- It includes almost no line-item enhancements and a net decrease of over 430 FTPs.
- In order to ensure a balanced budget and to avoid further cuts to public schools, the budget recommendation uses the bulk of the state's "rainy day" accounts as well as the non-endowed portion of the Millennium Fund. Doing so leaves the state without much reserve.