



State of Idaho

DIVISION OF FINANCIAL MANAGEMENT

Executive Office of the Governor

C.L. "BUTCH" OTTER
Governor

JANI REVIER
Administrator

January 12, 2018

MEMORANDUM

TO: Joint Finance-Appropriations Committee

FROM: Jani Revier, Administrator

SUBJECT: Revision to FY 2019 Executive Budget

Please accept the following revisions to the submitted FY 2019 Executive Budget.

Revenue Projection

The State Economist has issued a revised General Fund revenue projection that takes recent federal tax changes into account. For FY 2018, the projection increased to \$3,630,875,300, which is 5.3% growth over FY 2017. The increased growth changes the estimated statutory transfer to the Budget Stabilization Fund for FY 2018 to \$19,615,000. For 2019, the projected revenue increased to \$3,823,128,000, which is 5.3% growth over FY 2018. This also increases the cost of tax conformity which is now estimated to be \$194,100,000 in FY 2019. These changes leave a projected FY 2019 ending balance of \$110,873,600.

Idaho Transportation Department

Due to changes in the cigarette tax revenue forecast and payments to the Bond Levy Equalization Fund for FY 2019, the Governor is recommending changes to the supplemental spending authority for the Transportation Expansion and Congestion Mitigation Fund. Ongoing spending authority of \$16,880,800 and one-time spending authority of \$4,235,900 in fund 0269-02 is recommended.

Department of Health and Welfare

The Department of Health and Welfare has received official grant notification from the United States Department of Agriculture for the eWic implementation project. This has resulted in a new FY 2018 federal fund spending authority supplemental for \$831,000 and an increase in the existing eWic line-item to \$3,074,500 (\$77,400 in PC and \$2,997,100 in OE). These funds should be reflected as federal Cooperative Welfare Fund 0220-02.

Division of Building Safety

The Office of School Safety and Security at the Division of Building Safety has been named a sub-recipient of a grant from the National Institute of Justice. Grant funds will be used for standardized safety and security assessments on 40 schools included in the Idaho Rural Implemental Model grant. The Governor recommends FY 2019 one-time federal fund spending authority of \$53,800 in PC and \$12,700 in OE for this grant.

Lava Hot Springs

Lava Hot Springs added a gift shop during a recent remodel. The shop is exceeding expectations and additional dedicated fund spending authority to purchase items for re-sale is necessary. The Governor recommends an ongoing dedicated fund supplemental of \$25,000 in fund 0410-03.

Department of Correction

The Department of Correction has also informed the Governor that it will need to begin sending offenders out of state as soon as possible. While exact needs are not yet known, an emergency procurement has been obtained for up to \$900,000 in the current fiscal year. While there is not enough information available for the Governor to make a formal funding recommendation at this point, he recommends the necessary funding be taken from the projected ending balance.

cc: Paul Headlee, Legislative Services Office

FY 2018 General Fund Budget Summary

Governor's Recommendation
(Revised 1/12/2018)

Revenues	Ongoing	One-Time	Total
Beginning Balance	-	100,886,800	100,886,800
FY 2018 General Fund Revenue (5.3% Growth Rate)	3,630,875,300	-	3,630,875,300
Reappropriation from FY 2017	-	5,896,100	5,896,100
Year-End Reversion from FY 2017 (IDHW)	-	2,634,900	2,634,900
Legislation with a Revenue Impact	(18,517,100)	(6,400,000)	(24,917,100)
Total Funds Available	\$3,612,358,200	\$103,017,800	\$3,715,376,000
Transfers and Disbursements			
Transfer to Budget Stabilization Fund (IC 57-814) (est.)	-	(19,615,000)	(19,615,000)
Transfer to Wolf Control Fund (HB 297)	-	(400,000)	(400,000)
Transfer to Permanent Building Fund (SB 1194)	-	(45,296,200)	(45,296,200)
Transfer to Idaho Opportunity Fund (SB 1177)	-	(2,000,000)	(2,000,000)
Transfer to Workforce Development Training Fund (SB 1194)	-	(2,500,000)	(2,500,000)
Transfer from Department of Commerce (SB 1177)	-	31,800	31,800
Transfer from Immunization Fund	-	3,557,200	3,557,200
Closed Program Cash - Department of Lands	-	20,900	20,900
Total Transfers and Disbursements	-	\$(66,201,300)	\$(66,201,300)
Total Funds Available	\$3,612,358,200	\$36,816,500	\$3,649,174,700
Expenditures			
FY 2018 Original Appropriations	3,424,700,100	25,875,200	3,450,575,300
Prior-Year Reappropriations (Except IDHW)	-	5,896,100	5,896,100
Total Funds Available	\$187,658,100	\$5,045,200	\$192,703,300
Expenditure Adjustments			
Supplementals (Total \$36,583,000)			
Hispanic Commission	15,300	-	15,300
Catastrophic Health Care Fund	(7,999,500)	-	(7,999,500)
Brand Inspector	-	86,400	86,400
Correction	5,282,200	16,626,700	21,908,900
Health and Welfare	10,269,200	12,250,700	22,519,900
Military Division	-	52,000	52,000
Deficiency Warrants			
Military	-	-	-
Lands	-	-	-
Agriculture	-	209,700	209,700
Total Expenditure Adjustments	\$7,567,200	\$29,225,500	\$36,792,700
Projected Ending Balance	\$180,090,900	\$(24,180,300)	\$155,910,600

FY 2019 General Fund Budget Summary

Governor's Recommendation
(Revised 1/12/2018)

Revenues	Ongoing	One-Time	Total
Beginning Balance	-	155,910,600	155,910,600
FY 2019 General Fund Revenue (5.3% Growth Rate)	3,823,128,000	-	3,823,128,000
Legislation with a Revenue Impact	(119,986,900)	-	(119,986,900)
Total Funds Available	\$3,703,141,100	\$155,910,600	\$3,859,051,700
Transfers and Disbursements			
Transfer to Budget Stabilization Fund (IC 57-814)	-	-	-
Transfer to Wolf Control Fund	-	(400,000)	(400,000)
Transfer to Permanent Building Fund	-	(44,114,200)	(44,114,200)
Transfer to Public Education Stabilization Fund	-	(32,000,000)	(32,000,000)
Transfer to Aeronautics Fund	-	(1,475,000)	(1,475,000)
Transfer to STEM Education Fund	-	(2,000,000)	(2,000,000)
Transfer to Water Resources Revolving Development Fund	-	(2,400,000)	(2,400,000)
Transfer from Group Insurance Account	-	13,140,000	13,140,000
Total Transfers and Disbursements	-	\$(69,249,200)	\$(69,249,200)
Total Funds Available	\$3,703,141,100	\$86,661,400	\$3,720,553,300
Maintenance Expenditures			
Base			
Prior-Year Ongoing Appropriations	3,432,267,300	-	3,432,267,300
Base Adjustments	(45,600)	-	(45,600)
Projected FY 2019 Base	3,432,221,700	-	3,432,221,700
Employee Salaries			
3% CEC Increase - All Departments	19,495,900	-	19,495,900
3% Salary Increase - Public Schools	7,113,900	-	7,113,900
Total Employee Salaries	26,609,800	-	26,609,800
Maintenance of Effort - All Departments Except Public Schools			
Personnel Benefit Cost Adjustments	(13,429,400)	-	(13,429,400)
Inflationary Adjustments	998,900	-	998,900
Replacement Capital Outlay	-	12,254,600	12,254,600
Statewide Cost Allocation Plan (SWCAP)	808,400	-	808,400
Annualization of FY 2017 Supplementals	5,164,300	-	5,164,300
Nondiscretionary Adjustments	42,705,100	-	42,705,100
Other Adjustments	(3,651,500)	-	(3,651,500)
Total Maintenance of Effort	32,595,800	12,254,600	44,850,400
Maintenance of Effort - Public Schools			
Nondiscretionary Adjustments - Public Schools	68,977,800	-	68,977,800
Total Maintenance Expenditures	3,560,405,100	12,254,600	3,572,659,700
Total Funds Available	\$142,736,000	\$74,406,800	\$217,142,800
Enhancements			
Line Items - All Departments Except Public Schools	54,527,100	20,510,900	75,038,000
Line Items - Public Schools	29,569,700	1,661,500	31,231,200
Total Line items	\$84,096,800	\$22,172,400	\$106,269,200
Projected Ending Balance	\$58,639,200	\$52,234,400	\$110,873,600