

FY 2020 Budget Highlights

The Executive Budget for FY 2020 reflects Governor Little's focus on job growth, economic opportunity, and ensuring that Idaho is a great place for families to live and work.

- Education is the Governor's top priority, with strategic K-through-Career investments.
- The Governor has crafted a responsible, structurally-balanced budget that limits the growth of government while funding critical priorities.
- The Governor recommends an ending balance of \$97,647,500 in FY 2019 and \$172,588,000 in FY 2020. These larger-than-normal ending balances will enable the state to respond without disruption in services should current revenue shortfalls not be resolved when taxpayers file in the spring of 2019.
- The Governor's budget and ending balance lay the foundation for grocery tax repeal in FY 2021.

Top Priority: Investing in K-through-Career Education

- **Literacy Proficiency - \$13,156,500.** The Governor recommends doubling the current literacy base budget. Using the Idaho Reading Indicator as a baseline, funding would be distributed to schools to increase literacy proficiency and help ensure students are reading at grade level by the time they complete third grade.
- **Teacher Pay Raise - \$11,229,400.** The Governor recommends additional funding to be put into the career ladder to increase starting teacher pay to \$40,000.
- **Our Kids, Idaho's Future - \$100,000.** The Governor recommends one-time General Fund to support a kindergarten through twelfth grade task force to evaluate critical next steps in the strategic funding of public schools for the future.
- **Master Educator Premium - \$7,175,400.** The Governor recommends funding to recognize and financially reward outstanding educators.
- **Career Ladder - \$47,996,100.** The Governor recommends funding the fifth year of the five-year funding plan for the career ladder for certified instructional employees and pupil service staff.
- **Kindergarten Readiness - \$60,000.** The Governor recommends funding for library programs to help children be better prepared for kindergarten.
- **Advanced Opportunities - \$3,000,000.** The Governor recommends additional funding, bringing the total to \$18,000,000, to accommodate the increasing number of students utilizing the Advanced Opportunities Program.
- **Enrollment Workload Adjustment - \$4,306,800.** The Governor recommends funding for an enrollment workload adjustment (EWA) as generated by the formula that compares student credit hour levels over three consecutive years. Recommended funding includes a net of \$621,000 for community colleges and \$3,685,800 for four-year institutions. The Governor also recommends \$300,000 in one-time General Fund to partially offset North Idaho College's \$678,600 reduction in EWA funding. The Governor recognizes that the transition from the current enrollment workload adjustment funding model to the State Board of Education's proposed outcomes-based funding model is a major policy shift. As such, he wishes to further study the advantages and disadvantages of both models over the next year before making a decision.
- **Opportunity Scholarship - \$7,000,000.** In lieu of outcomes-based funding or line items for higher education institutions, the Governor recommends \$7,000,000 to increase funds available to eligible Opportunity Scholarship applicants. In FY 2018, a total of 1,780 applicants were eligible for the scholarship but did not receive an award because of a lack of funding. This provides a market-based approach to increasing higher education funding by awarding scholarships to students who choose which institution best fits their needs. This

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will support the 60% goal, increase responsiveness of institutions to student needs, and address access and affordability.

- **Computer Science Initiative - \$1,000,000.** The Governor recommends the promotion and support of the computer science initiative. Funding will support the needs of educators and industry, including computer science professional development, grants, workforce development, and data and gap analyses related to computer science.
- **GEAR UP Scholarships - \$1,400,000.** The Governor recommends federal fund spending authority for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) initiative.
- **Workforce Readiness Incentive Grant - \$400,000.** The Governor recommends General Fund for workforce readiness incentive grants. These grants will award incentive funds to Career Technical Education (CTE) teachers based on the number of secondary students who have completed all of the requirements of a particular program and who have demonstrated workforce readiness at the completion of their CTE program.
- **Department of Labor Job Corps Demonstration Project - \$4,323,500.** The Governor recommends one-time lump sum federal fund spending authority for the first year of a three-year Job Corps demonstration project that will make Idaho the first state in the nation to assume operational control of a Job Corps center. This project will increase access to and enrollment in education and work-based learning for out-of-school and at-risk Idaho youth. The College of Western Idaho will deliver skills instruction to further the grant.
- **Youth Challenge Cadre Positions - \$124,800 and 2.0 FTP.** The Governor recommends two new cadre team leader positions to intervene and help high school dropouts prepare to succeed as responsible and productive citizens of Idaho. The success of the program has increased participation rates and additional personnel are required to maintain the appropriate cadre-to-cadet ratio.
- **Graduate Medical Education - \$1,657,500.** The Governor recommends funds to address the shortage of physicians in the state and continue the implementation of the 10-year Graduate Medical Education plan. The budget includes 19 new medical residents and fellows at a per resident amount of \$60,000 and an increase in the per resident amount for existing residents from \$35,000 to \$40,000 for the following graduate medical programs:
 - **University of Utah/Idaho State University - \$180,000.** Funding supports three new residents.
 - **Family Medicine Residency (FMR) - \$450,000.** Funding supports a new resident and a hospitalist position in the Idaho State University FMR program, enhanced support to the 48 residents in the FMR of Idaho program, and 18 residents in the Kootenai FMR program.
 - **Boise Internal Medicine - \$257,500.** Funding supports three new residents and enhanced support for existing residents and interns.
 - **Eastern Idaho Regional Medical Center - \$650,000.** Funding supports 10 new internal medicine residents and enhanced support for 10 existing residents.
 - **Bingham Internal Medicine - \$120,000.** Funding supports one new resident and enhanced support for 12 existing residents.
- **Public Education Stabilization Fund (PESF) Transfer - \$8,600,000.** The Governor recommends a transfer to PESF to replace net funds drawn in FY 2019.

Strategic Investments

- **First Time Home Buyers Savings Account - \$4,650,600.** The Governor recommends establishing a program that allows first-time home buyers to reduce the cost of purchasing their first single-family home in Idaho.
- **Department of Transportation Contract Construction - \$121,140,100.** The Governor recommends dedicated and federal fund spending authority in FY 2019 (\$62,160,300) and FY 2020 (\$58,979,800) to support additional maintenance and construction projects funded by unallocated one-time dedicated funds, emergency relief grants, state transportation block grants, local participation in state highway projects, discretionary grants, and required state and local match.
- **Local Infrastructure Projects - \$1,050,400.** The Governor's budget includes shifting funding for the Beneficial Use Reconnaissance Program and Lake Management Plan from the Water Pollution Control Fund (WPCF) to the General Fund. This will allow WPCF monies to be used for bonds, loans, and grants to local communities for infrastructure projects necessary to comply with the federal Clean Water Act.
- **Animal, Dairy, and Plant Pathology Lab - \$8,000,000.** The Governor recommends a new Department of Agriculture animal, dairy, and plant pathology laboratory to replace the current building constructed in 1965. The lab supports the increased projection of Idaho's dairy and agriculture industries, including the new beef processing plant in Kuna.

Investing in Health and Human Services

- **Proposition 2.** The Governor's budget implements Proposition 2 with a net-zero impact on the state's General Fund, after accounting for projected offsets from costs already borne by the state and by leveraging the Millennium Fund. Implementation yields a 90% federal match, bringing a projected \$179,000,000 in federal funds into the state in FY 2020 to cover health care expenses.
- **Combatting Opioid Abuse - \$4,207,800.** The Governor recommends federal fund spending authority to:
 - Develop a system of prevention, monitoring, and treating opioid-related addiction and
 - Carry out the Partnership for Success grant which aims to address prescription drug misuse among persons aged 12 to 25.
- **Suicide Prevention Program - \$1,026,100.** The Governor recommends funding to support the state suicide prevention hotline, capacity building, training and technical assistance, and pilot funding for the Zero Suicide model in two regions of the state.
- **Fighting Fraud, Waste, and Abuse - \$332,900.** The Governor recommends funding for two investigators and a crime analyst to investigate allegations of fraudulent social security disability claims.
- **Statewide Family Caregiver Program - \$50,000.** The Governor recommends funding to establish a statewide family caregiver program that provides training and education, service coordination, counseling options, tax-based support information, and access to a self-directed caregiver registry.
- **Child Welfare Transformation Initiative - \$11,504,000.** The Governor recommends continuation of a project to modernize business practices and replace the existing Child Welfare Information System with a federally-approved and certified Comprehensive Child Welfare Information System.
- **North Idaho State Veterans Home - \$43,023,400.** The Governor recommends one-time dedicated and federal fund spending authority for the construction of a fourth state veterans home to be located in Post Falls.

Summary Tables and Graphs

Investing in Public Safety

- **School Safety - \$255,600.** The Governor recommends federal fund spending authority to develop and operate school threat assessments, crisis intervention teams, and mobile applications designed to alert law enforcement to potential threats to school safety.
- **Idaho State Police Motor Patrol Troopers - \$970,400 and 4.0 FTP.** The Governor recommends two motorcycle trooper positions in District 5 (Pocatello) and two motorcycle trooper positions in District 1 (Coeur d'Alene).
- **Island Park Resident Trooper Housing - \$130,100.** The Governor recommends funding for a housing unit for the District 6 Island Park patrol resident trooper to enhance law enforcement response times in the area.
- **Military Readiness Center Utility Installation - \$1,200,000.** The Governor recommends funding for utility installation for the Idaho National Guard's readiness center project in Twin Falls.
- **Orchard Combat Training Center - \$5,545,000.** The Governor recommends federal fund spending authority for the purchase of equipment for the maintenance and upkeep of the Orchard Combat Training Center.
- **Military Division Personnel - \$771,000 and 12.0 FTP.** The Governor recommends federal fund spending authority for two equipment operators, six wildland firefighters, one structural firefighter driver-operator, two real property assistants, and one information technology network specialist.
- **Department of Correction Offender Management System - \$6,376,000.** The Governor recommends one-time dedicated fund spending authority for the second year of a three-year project to replace the Offender Management System.
- **Department of Correction Correctional Officers Starting Salary - \$2,354,100.** The Governor recommends funding to increase starting correctional officers' starting salary, adjust the set annual security retention plan increases, and to address compression in order to recruit and retain experienced security personnel.
- **Department of Correction Probation and Parole Positions - \$1,615,900 and 17.0 FTP.** The Governor recommends funding for 15 probation and parole officer, senior positions and two probation and parole section supervisor positions.
- **Department of Correction North Idaho Re-Entry Center - \$12,200,000.** The Governor recommends one-time Permanent Building Fund spending authority for a community re-entry center in North Idaho. This 120-bed minimum custody correctional facility will provide additional housing for a growing offender population while preparing offenders for a positive reentry into the community.
- **Department of Correction St. Anthony Facility Expansion - \$7,400,000.** The Governor recommends one-time Permanent Building Fund spending authority for a 100-bed expansion of the St. Anthony Work Camp. The St. Anthony Work Camp currently has a 276-bed capacity and provides low-risk, minimum-security inmates vocational work project opportunities. The expansion will provide additional housing for a growing offender population and provide offenders paid work experience through contracted work and public service projects.
- **Tax Commission Field Office Security - \$115,000.** The Governor recommends General Fund to fortify taxpayer services counters and windows to reduce the risk of violent acts by disgruntled taxpayers.

Investing in Resource Management

- **Wolf Depredation Control Board - \$200,000.** The Governor recommends funding for the state's portion of the Wolf Control Program, which is a three-way partnership between livestock owners, sportsmen, and the state. Legislation is proposed to remove the sunset clause on the Board.
- **Livestock Disease Control and Inspection Services - \$175,000.** The Governor recommends dedicated fund spending authority for animal lab services, disease control activities, and Sheep Commission inspections.
- **Idaho Pollutant Discharge Elimination System - \$757,300 and 3.0 FTP.** The Governor recommends funding for the continued implementation of the Idaho Pollutant Discharge Elimination System for the state to assume primacy from the Environmental Protection Agency.
- **Albeni Falls Mitigation Project - \$5,940,400.** The Governor recommends one-time federal fund spending authority to begin the implementation and construction of the Clark Fork River Delta restoration project.
- **Thousand Springs Administrative Center - \$825,000.** The Governor recommends one-time dedicated and federal fund spending authority to construct a new administrative visitor information and interpretive center at the Billingsley Creek unit of Thousand Springs State Park.
- **Thousand Springs Ritter Island Bridge - \$600,000.** The Governor recommends one-time General Fund to replace the Ritter Island bridge.
- **Lake Cascade Accessibility Improvements - \$432,000.** The Governor recommends one-time federal fund spending authority to improve accessibility and safety at the Pelican Cove, Blue Heron, and Crown Point units in Lake Cascade State Park.
- **Department of Lands Fire Costs - \$20,000,000.** The Governor recommends \$20,000,000 to cover costs of fires on lands protected by the State of Idaho.

Enhancing and Streamlining State Government

- **State Employees.** The Governor recommends a 3% Change in Employee Compensation to be based on merit with flexibility for directors to address agency needs. In addition, the Governor recommends the use of a cash balance for a six-month holiday in the fee agencies pay to the Division of Human Resources.
- **State Network Core Equipment Replacement - \$1,191,600.** The Governor recommends replacement of the state's core network equipment to ensure reliable network operations and avoid significant service interruptions.
- **Idaho's Information Infrastructure Modernization.** The Governor recommends consolidating, streamlining, and improving information technology operations across the state. This will allow agencies to focus more on core missions. Ultimately, modernization will enhance security, increase functionality, eliminate waste and duplication, and minimize risk to application support. The first phase of the initiative includes adding the Department of Finance, Division of Building Safety, Public Utilities Commission, Tax Commission, Department of Insurance, Industrial Commission, Division of Vocational Rehabilitation, and Division of Veterans Services to the agencies currently supported by the Office of Information Technology Services (ITS). Adding these agencies to those supported by ITS results in a budgeted savings of \$887,500.
- **Statewide Cybersecurity Training - \$50,000.** The Governor recommends funding for additional statewide cybersecurity training modules to supplement the department's current training for state employees and minimize the largest cybersecurity threat to the State – phishing.