



**The Idaho Works Plan  
FY 2025 Budget Activity Summary**

**Idaho Works for Public Education: Delivering on Our Commitments**

Since 2019, Governor Little and the Legislature have delivered on the recommendations of the *Our Kids, Idaho's Future* task force. We have increased starting teacher pay, expanded the career ladder for all teachers, increased classified staff pay, boosted health insurance benefits, increased investments in literacy five-fold, and provided a record level of discretionary funds so that local schools can meet local needs.

Governor Little's FY 2025 budget and legislative action strengthens these ongoing commitments with the following actions and appropriations:

- House Bill 521 makes the largest ever state investment in **school facilities**, increasing funding by a net of \$1.5 billion over the next 10 years to ensure all districts have resources to address unmet capital construction needs and improve student achievement. This includes:
  - Devoting \$125 million annually to the new School Modernization Facilities Fund, which will be bonded for \$1 billion and apportioned to each school district in the state. School districts may use their share of funds for school facility construction, renovation, or maintenance needs.
  - Providing \$25 million of new funds annually and redirecting \$50 million of existing lottery funds to the School District Facilities Fund. School districts may use their share of funds to pay down existing school bonds, supplemental levies, and plant facility levies, with any remaining funds being available for school facility needs.
- House Bill 422 accelerates **charter schools** and enhances school choice options by eliminating red tape, allowing fast-track replication of high-performing schools, and providing \$302k to enroll those schools in need of performance enhancement in appropriate support services with the State Department of Education.

## **Idaho Works for the Economy: Building a Skilled Workforce**

Last year, Governor Little proposed and the Legislature passed Idaho LAUNCH, a program that has propelled Idaho into one of the best states for workforce education in the nation. Idaho LAUNCH will expand opportunities for students and meet employer needs. Governor Little's FY 2025 budget and legislative action enacted the following appropriations:

- \$75 million to fully fund the **Idaho LAUNCH** program to ensure grants are awarded to up to 10,000 Idaho graduates. Grants may be used at any Idaho college, career technical program, or workforce training provider of their choice for an in-demand career. Demand for Idaho LAUNCH has shattered expectations, with more than 13,500 applications submitted or started through just March. House Bill 741 contained policy changes that allow the Workforce Development Council to further refine the targeting of LAUNCH grants to students pursuing the most in-demand careers.
- The Governor recommended and the Legislature appropriated \$30 million for **university infrastructure** to increase capacity and prepare for rising student demand in targeted fields. This includes:
  - \$13 million for the Boise State University Science & Research Building
  - \$7 million for the Idaho State University Physician Assistant Expansion
  - \$6.1 million for the Lewis-Clark State College Mechanical Technical Building and Wittman Complex Updates
  - \$4 million for the University of Idaho Meat Science & Innovation Center and MOSS Campus
- The Governor recommended and the Legislature appropriated \$42.3 million for **deferred maintenance** projects at colleges, universities, and community colleges.

### **Idaho Works for Transportation: Driving Forward with High-Value Infrastructure**

In recent years, Governor Little and the Legislature have championed investments in transportation infrastructure without raising taxes or fees. We have funded transportation safety and deferred maintenance gaps at ongoing levels based on external studies, and made significant gains in funding airports, rail, bridges, and pedestrian infrastructure. Governor Little's FY 2025 budget and legislative action builds off these previous investments with the following appropriations:

- \$200 million as the third and final tranche of an effort to improve **local bridges**. Idaho has more than 900 bridges that are more than 50 years old, with estimated costs of \$600 million to repair or replace. Governor Little and the Legislature have previously allocated \$400 million to this effort, and construction is underway on dozens of bridges statewide.
- \$302.8 million in ongoing funds to fully fund the state's known deferred maintenance and safety gaps. These funds will make Idaho roads safer for drivers with capacity enhancements and safety features like turn lanes, traffic signals, and widened roadways. Funds will be split as follows:
  - \$182 million to the Idaho Transportation Department for state roads.
  - \$121 million to local highway districts, counties, and cities for local roads.
- Up to \$10 million of unused ARPA funds may be used for pedestrian safety projects.

## **Idaho Works for Taxpayers: Returning More of Your Hard-Earned Money**

Governor Little and the Legislature have returned \$3.7 billion to Idahoans' pockets over the past five years, with relief on income taxes, property taxes, and an expanded grocery tax credit – providing more tax relief per capita than any other state. Governor Little's FY 2025 budget and legislative action continues to return even more money to hardworking Idahoans:

- An additional \$60 million in ongoing **income tax relief** by lowering the individual and corporate income tax from 5.8% to 5.695%. Last year, Idaho took the income tax from six brackets down to one, making Idaho one of the latest states to implement a new, lower, fair FLAT income tax, and this year's tax relief lowers the flat income tax rate even further. The change makes Idaho's income tax rates more competitive, passing several states in the process.
- With the surplus eliminator passed last session, Governor Little's Idaho Works budget includes up to \$150 million in new property tax relief, on top of the hundreds of millions in property tax relief we've already deployed to date.
- An additional \$200 million of state funding for ongoing **property tax relief** will be directed to local school districts to defray the costs of unmet capital construction needs with the passage of HB 521. This includes:
  - \$125 million in averted property taxes by the state taking on a greater share of school facility expenses.
  - \$75 million to pay down existing school bonds, supplemental levies, and plant facility levies.

## **Idaho Works for Public Safety: Keeping the Idaho We Love**

Safe communities form a thriving Idaho. Governor Little's FY 2025 budget and legislative action appropriate the following:

- \$25 million for the construction of a secure, forensic 26-bed **mental health facility** to care for patients committed and determined to be dangerously mentally ill by Idaho courts.
- \$200k to Idaho State Police to support a second mission to the Texas border later this year with a focus on the mitigation of human trafficking and bring back training on its prevention and identification in Idaho.
- The Governor recommended \$4.6 million in ongoing funding for **public safety** replacement items so that in times of economic downturn the Idaho State Police would be fully funded for vehicles, body armor, and gear to keep our troopers safe. The Legislature appropriated these critical replacement items with one-time funding requiring the state police to compete annually for future replacement item appropriations.
- Funds the establishment of the Office of the **State Public Defender** (SPD) which will replace the Public Defense Commission (PDC). The new SPD will absorb the existing General Fund of the PDC and utilize \$36 million in dedicated fund spending authority to hire public defenders and support staff, as well as contract with private defense attorneys, to provide fair, adequate, and uniform public defense for indigent clients across the state. House Bill 521 strengthened the state's commitment to public defense by an additional \$3 million.

### **Idaho Works for Agriculture and Natural Resources: Securing Our Future**

Since 2019, Governor Little and the Legislature provided more than \$1 billion to improve the quantity and quality of water throughout the state and expand outdoor recreation opportunities. Building off this commitment, Governor Little's FY 2025 budget and legislative action appropriates the following:

- \$6.6 million in funding to continue the state's response to invasive **quagga mussels**. This funding will be used for ongoing prevention and monitoring of invasive species in addition to future preparedness for rapid response.
- \$30 million for investments in state water infrastructure to maintain and expand water projects in Idaho that help ensure a **stable water supply** across Idaho.
- \$20 million in additional funding for **outdoor recreation**. The Department of Parks and Recreation will leverage these funds to responsibly manage and expand access to Idaho's great outdoors.
- \$4.5 million in dedicated fund spending authority to be used as matching grants for **camping improvements** at various parks.
- \$17 million to augment the Fire Suppression Deficiency Fund ensuring the state has the resources – even in volatile economic times – to **fight wildfires** that threaten life, property, and Idaho lands.
- \$1 million for **wildland firefighter bonuses** to ensure Idaho Department of Lands can recruit and retain qualified firefighting personnel.
- \$3 million in grants to help farmers, ranchers, dairies, and confined animal feeding operations with environmental improvement programs. This will **improve soil, water, and air quality** in agricultural communities in Idaho.

## **Idaho Works for Health and Human Services: Addressing Access and Unmet Needs**

Governor Little's FY 2025 budget and legislative action addresses long-standing public health challenges facing Idahoans with the following actions:

- The Governor's recommended Division of Medicaid budget reined in Medicaid spending by holding the state General Fund at prior-year (FY 2024) levels while addressing needed provider rate increases and pursuing a work requirement for the Medicaid expansion population. The Legislature, however, appropriated an additional \$64,016,800 of General Fund in the division alone, resulting in a 7.5% increase from prior-year levels for the program.
- Adds \$480k for 8 new **medical residency** positions to address the shortage of physicians in the state and continue implementation of the 10-year Graduate Medical Education plan. Approximately 100 new medical residency positions have been supported over the past three years.
- Supports Idaho's senior citizens by providing \$806k in additional support for the **home delivered meals program** and to increase the reimbursement rate for congregate and home delivered meals by 25 cents per meal. This will assist Area Agencies on Aging (AAA's) that are experiencing shortfalls and waiting lists for this critical program for seniors.
- Leverages more than \$2 million from the **opioid settlement** fund to advance recommendations from the Idaho Behavioral Health Council. This includes investments to support behavioral health workers and increase their capacity, as well as increase opportunities for targeted populations to receive treatment. As one example, Senate Bill 1442 included \$350k to pay for additional mid-level providers (e.g., nurse practitioners and pharmacists) to become eligible to prescribe Medication-Assisted Treatment (MAT).
- **Honors our veterans** with the acquisition of 14-acres of vacant land from the Dry Creek Cemetery (\$3.95 million) for the future expansion of the Idaho State Veterans Cemetery in Boise.

### **Idaho Works for Fiscal Conservatism: Preparing the State for Economic Uncertainty**

As revenue normalizes from pandemic highs, Governor Little's FY 2025 budget and legislative action continues fiscal prudence that will better prepare Idaho for any economic conditions:

- **Limits growth** in General Fund spending to 1.7% over FY 2024 levels, one of the most fiscally conservative budgets in years.
- Augments the Fire Suppression Deficiency Fund by \$17 million to ensure the state has the resources – even in volatile economic times – to **fight wildfires** that threaten life, property, and Idaho lands.
- **Leaves a surplus** (>\$180 million) in both budgeted years to provide a greater cushion against economic uncertainty.
- Maintains a structurally **balanced budget** over a five-year horizon using a fiscal stress test that accounts for the probability of a recession.