



FY 2022 Budget Highlights

The Executive Budget for FY 2022 reflects Governor Little's continued focus on investments in education, job growth, economic opportunity, and ensuring Idaho is the place where our children and grandchildren will choose to stay.

- **Education Remains Top Priority.** In total, funding for K-12 grows 16% this year and 5.4% next year. The Governor's budget fully implements the new career ladder build-out of the advanced professional rung and makes significant new investments in career technical education.
- **Strengthens Public Health Response.** The Governor's budget includes more than \$250 million in total funds to bolster the state's public health infrastructure to continue responding to the ongoing COVID-19 pandemic.
- **Invests in Economic Stimulus Projects.** The budget includes Governor Little's *Building Idaho's Future* investment package that reinvests \$332 million of General Fund and \$35 million in federal funds to make critical improvements including roads, bridges, rail, water infrastructure projects, and broadband. These projects will get Idahoans back to work and make long-lasting contributions to Idaho's future economic prosperity.
- **Provides Tax Relief.** The budget provides more than \$455 million in tax relief for Idaho families and small businesses, including \$160 million in permanent cuts to boost Idahoans prosperity while keeping our tax rates competitive and our business climate vibrant.
- **Leaves a Prudent Surplus.** The budget leaves a projected ending balance of \$185 million this year and \$138 million next year, ensuring a cushion for economic uncertainty.
- **Bolsters Rainy Day Funds.** The budget bolsters state rainy day funds by \$230 million, augmenting the state's preparedness for economic uncertainty as federal funding tapers off.

Building Idaho's Future Investment Package

- **Transportation Infrastructure.** The Governor recommends \$120 million for state and local highway infrastructure projects. The Governor also recommends \$2 million to assist with rail infrastructure and safety improvement, and \$4 million in funding for community airport improvements.
- **Water and Agriculture Infrastructure.** The Governor recommends \$60 million to support major water infrastructure projects prioritized by the Idaho Water Resources Board, the Agricultural Best Management Practices program, and to support drinking water and wastewater projects in rural Idaho communities.
- **Broadband Infrastructure.** The Governor recommends \$35 million for a competitive broadband grant program with an emphasis on bringing access to rural unserved or underserved households.
- **Economic Development.** The Governor recommends \$3 million for outdoor recreation, with an emphasis on outdoor trails to catalyze tourism in Idaho's rural communities. The Governor also recommends \$1 million to the Opportunity Fund to help with the recruitment and retention of businesses in Idaho.
- **Education Investments.** The Governor recommends \$20 million to enhance literacy and other educational outcomes given the education disruptions associated with COVID-19. The Governor recommends \$4.8 million in investments in career technical education. The Governor also recommends \$5.5 million for investments in higher education, namely the advancement of priorities from the Huron Report that will improve collaboration across universities and yield savings over time.
- **Public Safety.** The Governor recommends \$964k to defend our state police and provide them with the tools and resources they need to be effective in keeping our communities safe.
- **Capital Construction and Repair Projects.** The Governor recommends \$96.2 million in capital construction projects to be overseen by the Permanent Building Fund Advisory Council. Within this amount, the Governor recommends \$30 million for critical improvements and economic stimulus projects identified by the legislature that have a statewide benefit and contribute to building Idaho's future, \$22.7 million for miscellaneous alterations and repairs throughout the state, \$3 million for the University of Idaho's Parma Research and Extension Center, \$700k for two University of Idaho greenhouses to increase seedling production, \$3 million to the College of Eastern Idaho's Future Tech facility, and \$7.4 million to the Youth ChalleNGe program. This amount also includes overdue infrastructure, including \$23 million for Department of Correction to expand in-state capacity and reduce the revolving door of recidivism and \$6.4 million for the Department of Juvenile Corrections St. Anthony campus.

- **Small Business Grants.** The Governor recommends \$15 million in federal funds for cash grants to small businesses and Idahoans who have been disproportionately impacted by the COVID-19 pandemic.

Investing in K-through-Career Education

- **Career Ladder.** The Governor recommends \$44.9 million for career ladder growth, including increases for our most experienced teachers.
- **Advanced Opportunities.** The Governor recommends an additional \$9.7 million, bringing the total to \$29.7 million, to accommodate the increasing number of students utilizing Advanced Opportunities, the program with which high school students earn college or technical credits at no cost.
- **Teacher Health Insurance.** The Governor recommends \$10.6 million to cover the rising health insurance costs for school districts.
- **Enrollment Workload Adjustment.** The Governor recommends \$3.3 million to the colleges and universities for an Enrollment Workload Adjustment as generated by the formula that compares student credit hour levels over three consecutive years.
- **Substance Abuse and Mental Health Services.** The Governor recommends \$1.2 million in federal fund spending authority to build a sustainable framework that will embed mental health clinicians in rural schools.
- **School Safety and Security.** The Governor recommends moving the Office of School Safety and Security to the State Board of Education and recommends \$242k in one-time General Fund to continue the tip line and threat assessment programs.
- **Career Technical Education Apprenticeship Grant.** The Governor recommends \$648k in one-time federal fund spending authority and 1 FTP for a U.S. Department of Labor apprenticeship grant that will provide opportunities in information technology, advanced manufacturing, and healthcare.
- **Workforce Development Council Youth Apprenticeship.** The Governor recommends \$749k and 1 FTP in federal fund spending authority for the second year of a 4-year \$2.5 million grant to serve 400 youth apprentices in Idaho and at least 300 Idaho employers.
- **Public Education Stabilization Fund (PESF) Transfer.** The Governor recommends a one-time transfer of \$31 million to PESF to replace funds depleted in FY 2020.
- **Idaho Digital E-Book Alliance (IDEA).** The Governor recommends \$307k in on-going General Fund to ensure IDEA, initially launched in October 2020 in response to COVID-19, becomes a statewide sustainable program to enhance literacy by purchasing e-books for K-12 students.

Investing in Health and Human Services

- **Medicaid Expansion.** The Governor's budget recommendation continues to implement Medicaid expansion under Proposition 2. Given both the growing enrollment and Per Member Per Month costs, it is not possible to implement with a net-zero impact on the General Fund. The Governor recommends a \$12.5 million cost-share with the counties to capture the savings counties have realized from Medicaid Expansion.
- **Increased Medical Residency Capacity.** The Governor recommends \$900k for 15 new medical residents to address the shortage of physicians in the state and continue implementation of the 10-year Graduate Medical Education plan. This year's build-out continues the focus on rural healthcare and psychiatric care.
- **Increased Nursing Capacity.** The Governor recommends \$1 million ongoing General Fund for postsecondary nursing programs at Lewis Clark State College, North Idaho College, College of Western Idaho, and College of Southern Idaho. These funds would go toward hiring additional faculty and developing the programming necessary to increase the capacity of Idaho's nursing programs and produce more nursing graduates across the state.
- **Expanding Mental Health Treatment.** The Governor recommends adding 24.5 FTP and transfers \$2.4 million from State Hospital South to State Hospital North for Joint Commission Accreditation to allow State Hospital North to bill Medicaid as an IMD facility.
- **Community Recovery Centers.** The Governor recommends \$450k in one-time funds for community-based recovery centers to help individuals with substance use disorders.
- **Overdose to Action Grant.** The Governor recommends \$190k in one-time federal fund spending authority for the overdose to action grant which hired and trained toxicologists to perform toxicology testing on approximately 250 death investigation cases coming from coroner offices in Idaho.
- **Statewide Opioid Tracking.** The Governor recommends \$428k in ongoing dedicated fund spending authority to fund the ongoing annual operation and maintenance of Statewide Gateway and NarxCare within the Prescription Drug Monitoring Program (PDMP). These tools enhance the tracking of opioids and provide decision-support tools to healthcare providers to improve prescribing and dispensing decisions.
- **Enhancing State Veteran Homes.** The Governor recommends \$7.4 million in total funds for life safety and COVID-19 projects at the Lewiston and Pocatello State Veterans Home facilities, and for design changes at the Post Falls State Veterans Home to mitigate the impacts of COVID-19.

Investing in Public Safety

- **St. Anthony Work Camp Expansion.** The Governor recommends \$3 million in total funds for the start-up and staffing costs for the St. Anthony Work Camp expansion that is expected to open 130 beds by September 2021. This facility will provide additional housing for Idaho's offender population while preparing offenders for a positive reentry into the community.
- **State Police Infrastructure.** The Governor recommends \$2.6 million in one-time capital outlay for repair and replacement items, including the replacement of 29 vehicles, 62 ballistic vests, and improvements to forensics lab equipment.
- **POST Funding** – The Governor recommends legislation requiring an annual distribution from the Liquor Fund in the amount of \$800k to the Peace Officers Standards and Training Fund beginning in FY 2021. The POST Fund has insufficient revenues to support the training and certification of State and local law enforcement entities. The distribution to the POST fund would equally impact both the General Fund distribution and the counties and cities distribution in the amount of \$400k each.
- **Judicial Branch.** The Governor recommends \$273k for a new District Judge and court reporter to be chambered in Canyon County. The Governor also recommends \$272k for two new Magistrate Judges to be chambered in Canyon County.
- **Internet Crimes Against Children.** The Governor recommends \$130k for replacement items for the Attorney General's Internet Crimes Against Children task force, including forensic processing workstations.
- **Juvenile Offender Case Management.** The Governor recommends \$450k in one-time General Fund to update the juvenile justice system's case management software.

Investing in Agriculture and Resource Management

- **Fire Suppression.** The Governor recommends a one-time transfer of \$20 million to the Fire Suppression Deficiency Fund to ensure the Department of Lands has the resources necessary to combat fires on six million acres of private, state, and federal lands in Idaho.
- **Department of Lands Fire Program.** The Governor recommends \$1.1 million in total funds and 11 FTP to augment the fire program and ensure the state is maximally prepared to respond to and investigate fires.
- **Shared Stewardship Program.** The Governor recommends \$450k in ongoing General Fund to bolster Idaho's Shared Stewardship Program to protect and manage wildlife and watershed restoration projects on various private, state, and federal lands throughout Idaho.
- **Good Neighbor Authority.** The Governor recommends \$90k in one-time General Fund for vehicles for foresters associated with Idaho's Good Neighbor Authority (GNA) who are implementing forest management activities under GNA occurring on the Idaho Panhandle and Nez Perce-Clearwater National Forests.
- **Sage Grouse Study.** The Governor recommends \$75k to support the continuation of a 10-year University of Idaho study to analyze the impact of grazing on sage grouse.
- **Agriculture Best Management Practices.** The Governor recommends a one-time transfer of \$279k to the Agriculture Best Management Practices Fund to support implementation of projects in high-priority watersheds throughout Idaho.
- **Coeur d'Alene Lake Study.** The Governor recommends \$573k in one-time dedicated fund spending authority to assess the water quality of Coeur d'Alene Lake. The first phase will focus on evaluation of the health of the lake and the second phase could potentially discuss the implication of and offer recommendations for management actions that could improve the water quality.
- **Bear River Basin Adjudication.** The Governor recommends \$354k in General Fund to begin the last adjudication phase in Idaho for the Bear River Basin which is anticipated to take 10 years to complete.
- **Billingsley Creek Campground.** The Governor recommends \$4.4 million in total funds to augment the Billingsley Creek unit of Thousand Springs State Park with a 50-spot RV campground and the addition of interpretive exhibits at the visitor center currently under construction.

Enhancing State Government

- **Easing Citizen Engagement in State Government.** The Governor recommends \$375k for a one-stop shop that will house the public agendas for all state agencies. Citizens will be able to subscribe to agendas for specific agencies or for specific meeting functions (e.g., rulemaking). The website will make it easier for citizens to engage in state government and participate in upcoming meetings.
- **Local Government Budget Transparency.** The Governor recommends \$1.7 million to advance a priority of the Legislature's Property Taxes and Revenue Expenditures Study Committee. This would support the collection and reporting of local government budget and expenditure numbers through the Transparent Idaho website.
- **State Employees.** The Governor recommends a 2% Change in Employee Compensation for permanent state employees that is to be based on merit and a 2% pay structure shift.
- **Consolidates Occupational Licensing.** The Governor consolidated 11 licensing agencies into a single agency -- the Division of Occupational and Professional Licensing. This one-stop shop will more efficiently serve citizens. The Governor recommends \$5.8 million in moving expenses to bring the agency under one roof at the state's Chinden Campus.
- **27th Payroll Fund.** In most years, Idaho has 26 payroll periods, but every 11 years the state will incur a 27th payroll period. When this occurs, the state sees a significant increase in salary and variable benefit costs for the fiscal year. This will next occur in FY 2028. Rather than wait until that time to cover this known cost, the Governor recommends setting aside \$3 million annually to prepare. To that end, the Governor recommends \$15 million to this fund to catch up since the last 27th payroll.