January 10, 2022

Idaho State Legislature
State Capitol Building
P.O. Box 83720
Boise, Idaho 83720

Dear Legislator:

I am transmitting to you today the Executive Budget documents in accordance with Idaho Code 67-3506. My budget proposal includes the following highlights:

**FY 2022** – The FY 2022 General Fund revenue estimate of $5,171,332,500 is a 3.2% increase in revenue from FY 2021. My budget recommendation includes the following:
- $350 million in one-time income tax rebates;
- $175.8 million to pay off all debt in the state bond payment program;
- Capital investments in local bridges, water and other critical infrastructure;
- Public safety investments to Back the Blue and ensure safe and secure elections; and
- An ending balance of $214 million.

**FY 2023** – The FY 2023 General Fund revenue estimate of $5,322,634,000 reflects a 2.9% growth in anticipated revenue from FY 2022. Accordingly, my budget recommendation includes the following:
- $251 million in ongoing income tax reductions by cutting the top rate to 6% for both individuals and businesses;
- An 11% increase for public schools, with investments in literacy, teacher health insurance, and acceleration of the career ladder;
- $200 million for ongoing maintenance of roads and bridges for local and state transportation needs; and
- An ending balance of $214 million.

**Change in Employee Compensation (CEC)** – My recommendation for changes in salaries and benefits for FY 2023, addressing each of the four components identified in Idaho Code 67-5309C(2), include the following:
- A 3% merit-based CEC for permanent positions;
- A 2% funded change to the compensation schedule;
- Continuation of the payline exceptions identified by the Division of Human Resources in the CEC and Benefits Report; and
- Maintenance of the overall design of the benefits package and percentage contributions for employee benefits.

**Federal Funds Inventory** – In accordance with Idaho Code 67-3507(4), federal funding reports required by 67-1917 and disclosures required by 67-3502(5) are included.
Additional details are provided to all legislative members and the public in my Executive Budget and related documents that are available at http://dfm.idaho.gov/.

Sincerely,

Brad Little
Governor of Idaho