



## The Idaho First Plan FY 2023-2024 Budget Highlights

### Fulfilling Record Education Investments

Last year, Governor Little and the Legislature set aside \$330 million for public schools. Idaho voters approved this act with an 80% majority. The Governor's budget fulfills this historic commitment to public schools with the following recommendations:

- Targets **starting teacher pay** to Top 10 nationally (\$47,477), up from #41 nationally when Governor Little took office.
- Strengthens pay for all teachers – including our most experienced educators -- by \$6,359. In total, this adds \$145 million for **enhanced teacher pay** statewide.
- Closes the salary gap that schools face for **classified staff** by providing \$97.4 million to better position schools to hire critical support staff such as cafeteria workers, bus drivers, and paraprofessionals.
- Continues the state's commitment to raising take-home pay of teachers and school staff by providing an additional \$27.9 million for **health insurance** benefits.
- Provides \$52.4 million for the largest single-year boost of **discretionary funding** to schools in state history, allowing local schools to meet local needs and defray reliance on property taxes.
- Puts forward \$2.9 million in ongoing funding to improve **dyslexia outcomes** throughout the state through training and outreach.
- Makes permanent the widely popular **Empowering Parents** grants by investing \$30 million to continue helping families take charge of education expenses for their children.
- Provides \$20 million in one-time grants for the *Securing Our Future Initiative* from the Office of School Safety and Security. Funds will be used to make meaningful, durable, and demonstrated effective investments in K-12 **school facility security** throughout the state.
- Provides \$30 million in one-time grants to preserve school investments in **information technology**, including student and classroom devices and network infrastructure.

### **Building a Skilled Workforce for Idaho Businesses**

Governor Little and the Legislature also set aside \$80 million to improve workforce education opportunities throughout Idaho. Recognizing that there are many pathways to Idaho jobs and that an educated workforce in an enormous asset for the state's economy, the Governor's budget:

- Expands the successful **Idaho Launch** program, investing \$80 million to provide \$8,500 for qualifying high school graduates to use at any Idaho university, community college, career technical program, or workforce training provider of their choice.
- Directs an investment of \$110 million for community college and **university infrastructure** to increase capacity and prepare for rising student demand in targeted fields.
- Includes \$15 million to train individuals for jobs being created through the CHIPS and Science Act of 2022. This will **strengthen American manufacturing**, supply chains, and national security as companies bring semiconductor manufacturing back to U.S. soil over the coming decades.

### **Making Generational Investments in Critical Infrastructure**

In recent years, Governor Little and the Legislature have championed investments in critical infrastructure without raising taxes or fees. Efforts have focused on bonding for new road capacity and addressing the deferred maintenance backlog on state and local roads. The Governor's budget builds off these previous investments and:

- Invests \$96.8 million to fully fund the known ongoing **transportation safety** gap. This will make Idaho roads safer for drivers with capacity enhancements and safety features like turn lanes, traffic signals, widened roadways, and guardrails.
- Adds \$200 million as the second tranche of an effort to improve **local bridges**, \$35 million to improve **airports** throughout the state, and \$10 million for **pedestrian and safety** projects. Idaho has more than 900 bridges that are more than 50 years old. This investment will improve approximately one-third of deficient bridges to improve safety for all Idahoans.
- Reserves \$100 million for **economically significant** local transportation projects that are otherwise beyond the reach of local government finances.
- Leverages \$225 million in federal funding to improve **broadband** infrastructure throughout the state. The Idaho Broadband Advisory Board will oversee the distribution of funds to ensure all corners of the state can have fast, reliable broadband.

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### **Returning More Money to Hardworking Idahoans**

Governor Little and the Legislature have returned \$2.7 billion to Idahoans' pockets over the past four years, with relief on income taxes, property taxes, and an expanded grocery tax credit. The Governor's budget continues to return even more money to hardworking Idahoans:

- Fully implements the **flat tax** passed during the 2022 special session, which returns more than \$145 million in ongoing income tax savings to Idahoans and eliminates taxes on the first \$2,500 of income earned.
- Sets aside an additional \$120 million of state funding for ongoing tax relief to be directed to local government **property tax mitigation**.

### **Improving Public Safety**

Safe communities form a thriving Idaho. The Governor's budget:

- Strengthens recruitment of state **law enforcement** officials with a 10% salary adjustment, which is more than a \$6,000 annual raise for an average state police trooper. Prioritizes officer safety by providing \$200k to outfit every state trooper with safety equipment. Further enhances public safety by adding two additional staff to the sex offender registry unit at the Idaho State Police to ensure thorough review of all sex offender registrants.
- Provides \$14.8 million to construct **Idaho State Police** district facilities in Lewiston and Idaho Falls.
- Also provides \$1.6 million ongoing to the Idaho State Police to develop a statewide **drug interdiction team** to respond to the ongoing fentanyl crisis. Also provides \$1.6 million one-time and \$721k ongoing for the expansion of **drug testing and fentanyl training** in the Department of Correction to allow for earlier detection and intervention when the department's supervised population relapses on dangerous drugs.
- Transfers \$1.1 million to the Idaho Peace Officer Standards and Training (POST) to help stabilize against the increased costs attributable to inflation so that critical **training for law enforcement officers** is not further disrupted.
- Provides \$4.1 million for additional **safe teen reception centers**, in addition to the eight centers funded last year, to provide an alternative placement option for law enforcement for troubled youth to connect them with long term community-based resources to avoid further entrance into the juvenile justice and child welfare systems.
- Implements **Idaho Behavioral Health Council** recommendations by providing \$400k for a court implemented pre-plea diversion program and a low-risk/high need treatment court evaluation pilot program.

### Investing in Agriculture and Natural Resources

Last year, Governor Little and the Legislature provided more than \$750 million to improve the quantity and quality of water throughout the state. The Governor's budget builds off this commitment:

- Provides \$150 million for investments in state water infrastructure to maintain and expand water projects in Idaho that help ensure a **stable water supply** across Idaho.
- Invests \$115 million to support drinking water and wastewater systems, with an emphasis on small rural communities in need of infrastructure upgrades that **improve water quality**.
- Provides \$598.5k in ongoing dedicated and federal fund spending authority for **chronic wasting disease** monitoring and surveillance.
- Prioritizes \$15 million to strengthen the state's **energy infrastructure**. Funds will be used to provide advanced energy efficiency and resiliency technologies for critical infrastructure facilities.
- Invests \$100 million in **outdoor recreation**. The Department of Parks and Recreation will leverage these funds to expand capacity and enhance accommodations to keep up with record attendance at the state's world class parks. A portion of the funds will be used to propose a new funding mechanism that will responsibly manage and expand access to Idaho's great outdoors.
- Provides \$12 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.

### Enhancing Health and Human Services

The Governor's budget addresses long-standing public health challenges facing Idahoans:

- Provides \$72 million (\$21.6 million General Fund and \$50.4 million federal funds) ongoing for the Idaho Behavioral Health contract that will provide 10% rate increases and expanded **behavioral health services** to Medicaid beneficiaries.
- Includes \$24 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.
- Provides \$20 million in ongoing federal funding for Ground Emergency Medical Transport to ensure that access to ambulance services and **emergency medical care** in rural areas remains viable.
- Provides an additional \$15 million from ARPA for **childcare infrastructure grants**, to expand childcare capacity in partnership with Idaho employers. A portion of this recommendation is targeted to public safety offices given the unique childcare needs they face.
- Adds \$840k for 14 new **medical residents** to address the shortage of physicians in the state and continue implementation of the 10-year Graduate Medical Education plan. All told, approximately 100 new medical residency positions have been supported over the past three years. Also provides \$3 million to assist independent physicians with establishing medical clinics to increase healthcare capacity and primary care access in rural Idaho.

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- Provides \$4 million in ongoing dedicated and federal fund spending authority to open and operate the Post Falls **Veterans Home**, and \$68.4 million in federal fund spending authority to match the state's previous General Fund investment to renovate the Boise Veterans Home.
- Provides a \$2 million investment in evidence-based child abuse and neglect prevention programs. This funding will increase capacity to serve Idaho's **at-risk families** with parenting resources and lowers the risk for families to enter the child welfare system.

### **Preparing the State for a Predicted Recession**

As economists across the country predict that Washington, DC policies will cause a recession, the Governor's budget continues fiscal prudence that will better prepare Idaho for any economic conditions:

- **Pays off all callable debt** in the GARVEE transportation bond program (\$37.5 million), averting interest and freeing up additional ongoing transportation funding. Fully funds the state's financial obligation (\$21 million) for the North Idaho Bunker Hill superfund site, providing the remainder of the state's required match and operating and maintenance obligations.
- Makes the second down payment on state building **deferred maintenance** (\$300 million one-time), positioning the state to clear out more than half of the known deferred maintenance backlog.
- **Bolsters rainy-day funds** by \$61.7 million to ensure the state is prepared for future economic downturns. The Governor's budget will achieve the statutory maximum balances for both the Budget Stabilization Fund and Public Education Stabilization Fund.
- Augments the Fire Suppression Deficiency Fund by \$68.7 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** (>\$200 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.