



Governor Brad Little

State Capitol :: Boise, Idaho 83720
(208) 334-2100 :: gov.idaho.gov

January 6, 2025

Idaho State Legislature
State Capitol Building
P.O. Box 83720
Boise, ID 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 2025 – The FY 2025 General Fund revenue estimate of \$5,617,783,300 is a 4.4% increase in revenue from FY 2024. My budget recommendation includes the following:

- An ending balance of \$383 million to align with revenue estimates that were updated in December 2024.
- \$99 million in supplemental requests to address emergency FY 2025 expenditures.

FY 2026 – The FY 2026 General Fund revenue estimate of \$5,931,717,000 reflects a 5.6% increase in anticipated revenue from FY 2025. With strong ending balances the past few years, the proposed increase in General Fund expenditures from FY 2025 to FY 2026 is 4.6%. My budget leaves an ending balance of \$228 million to ensure structural balance and unanticipated revenue impacts for FY 2026. Accordingly, my budget recommendation includes the following investments:

- Idaho has already delivered \$4.6 billion in tax cuts to Idahoans in the past six years. My budget puts another \$100 million back in Idahoan's wallets.
- Provides \$50 million for educational choice opportunities while also delivering an additional \$50 million to public schools to address funding needs in rural school facilities, mental health and school safety, and accountability in learning and literacy. This increase is in addition to the fully recommended public school budget increase of \$136 million.
- Adds \$25 million to increase capacity at community and technical colleges to get more working-class Idahoans on the fast track to a career.
- Further invests in transportation infrastructure without raising taxes or fees. This includes a 3% increase in the Strategic Initiatives Funding as well as an additional \$50 million to augment the Transportation Expansion and Congestion Mitigation (TECM) program, allowing the state to bond for \$800 million for high-value expansion projects.
- \$100 million for fire management and early suppression and detection efforts for Idaho wildlands.



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- Invests \$30 million ongoing funding toward critical water infrastructure and aquifer recharge projects resulting in reliable water for Idaho growers.
- \$9.6 million toward reforming Idaho's foster care program.
- Adds \$15 million to the Workforce Housing Fund to address Idaho's housing supply.

Change in Employee Compensation (CEC) – My recommendation for changes in salaries and benefits for FY 2026, addressing each of the four components identified in Idaho Code 67-5309C(2), include the following:

- A 5% or \$1.55 per hour CEC for permanent positions.
- An additional 4.5% increase for IT and engineering positions to address turnover and retention challenges.
- Continuation of the payline exceptions identified by the Division of Human Resources in the CEC and Benefits Report; and
- Maintaining a competitive benefits package and plan design.

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, available at <http://dfm.idaho.gov>.

Sincerely,

Brad Little
Governor of Idaho