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## **Idaho State Budgeting: Finding the “New Normal”**

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# Idaho State Budgeting: Finding the “New Normal”

**Abstract:** In 2009 and 2010, when Idaho policymakers experienced major economic problems and scarcer revenues, they approved major spending reductions. More recently, as the state’s economy and revenues have been improving, policymakers have sought to establish the “new normal” for Idaho state budgeting. To discern what this new normal may entail, this paper examines the governor’s budget recommendations and the legislature’s appropriation actions for Fiscal Year 2013. It briefly describes Idaho’s people, politics, and budgeting process. After discussing developments in Idaho’s economy and General Fund revenues, it reports on the governor’s budget recommendations and the legislature’s actions. It then considers impacts of these decisions in terms of budget shares and progress to return budgets to their spending levels before Idaho’s economic and revenue problems began. It finds that General Fund revenues have improved, but the fortunes of General Fund budgets have been mixed.

**Keywords:** budget decision making; economy; FY 12–13; Idaho; legislature; revenue scarcity.

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## 1 Introduction

*“...[Y]ou also will see a greater emphasis in ensuring the efficiency and prudent frugality that we’ve established in every agency of State government during the past 3 years become standard procedure. What we had to do then will become our new normal going forward.” (Governor C.L. “Butch” Otter, “State of the State and Budget Address,” Monday, January 9, 2012).*

In 2009 and 2010, Idaho policymakers, like their counterparts in other states, experienced major economic problems and scarcer revenues (Kinney 2011). For two consecutive years, Governor C.L. “Butch” Otter proposed expenditure

holdbacks, and the legislature approved major spending reductions. Last year, the governor and lawmakers received hints the state's economy and revenues were beginning to rebound, albeit gradually and still well below pre-recession figures approved major spending reductions (Kinney 2012).

This report examines the governor's budget and the legislature's appropriation actions for Fiscal Year (FY) 2013. It begins by briefly describing Idaho's people, politics, and budgeting process. It then discusses developments in Idaho's economy and General Fund revenues. After reporting on the governor's budget recommendations and the legislature's actions, it considers impacts of these decisions and what progress Idaho has made to return to the spending levels that were approved before Idaho's economic and revenue problems began.

## 2 Idaho's People

With its 83,557 square miles, Idaho is the eleventh largest state in size (Budget and Policy Analysis 2012c, p. 107). The US government owns 63.1% of the Gem State's land area, and state government, another 5.1%.

Idaho's estimated population increased from 1,559,796 for 2010 to 1,584,985 for 2011; the Gem State's ranking among the states stayed at 39th (Budget and Policy Analysis 2011b, p. 113; Budget and Policy Analysis 2012c, p. 113). Its growth rate of 0.9% was slightly <1.0% for the preceding year, and its ranking dropped two places to 11th. For 2010, 89.1% of the population was White (ninth in the US), and 11.2% were Hispanic (15th nationally). The 2009 number for the White population was 89.6%, and the figure for the Hispanic population was the same.

For 2010, 19.6% of the population consisted of school-aged children (second in the nation), which was slightly more than 19.0% for 2009.

The graduation rate for public high school students increased from 80.1% for 2008 (seventh in the country) to 80.6% for 2009 (13th). In both years, nearly 88 out of every 100 people were high school graduates. The percentage of the state population who graduated from college climbed slightly from 23.9% (2009) to 24.4% (2010); Idaho's ranking held steady at 39th. The mean salary for Idaho teachers in 2011 was \$47,416 and 37th in the US.

The state's personal income for 2010 increased to \$50.0 billion from \$48.9 billion the previous year although its ranking stayed at 41st in the nation (Budget and Policy Analysis 2011b, pp. 112–114; Budget and Policy Analysis 2012c, p. 113). Per capita personal income rose slightly from \$31,662 in 2009 to \$31,986 in 2010, and the state's ranking rose one place to 49th. Its median household income

dropped from \$48,299 (29th) in 2010 to \$47,528 (31st). The number of farms in Idaho increased from 25,500 in 2009 to 25,700 in 2010, and its national ranking remained at 33rd. Its 2010 unemployment rate of 9.5% was 14th in the US and dropped to 8.4% (18th) for 2011. Idaho's job growth rate of  $-0.8\%$ , 31st in the country, for 2009–2010 climbed to 1.3% for 2010–2011 and placed the state 17th nationally.

The percentage of the Idaho population with no health insurance increased from 14.9% (20th in the US) in 2009 to 16.6% (14th) in 2010 (Budget and Policy Analysis 2011b, pp. 115–116; Budget and Policy Analysis 2012c, p. 115). Sixty-six percent of the children in the 19–35 month-age range had received all of their immunizations for 2010 (41st in the country), which was less than the 70 and a half percent for 2009 (23rd). The percentage of people in poverty increased from 13.3 in 2009 to 14.3 in 2010, which dropped the state's national ranking one place to 23rd. The portion of people in the Medicare program climbed marginally from 14.4% (38th nationally) for 2009 to 14.6% (37th). The percentage of the population receiving public assistance changed from 1.8 in 2008 to 1.9 in 2009 held the state's ranking at 47th. The number of people receiving Temporary Assistance for Needy Families (TANF) and the state's ranking increased from 2644 to 2932 in 2011 and from 48th to 49th in 2011. Fourteen percent of the people received food stamps in 2011 (26th) compared to 12.6% in 2010 (28th).

Regarding crime in Idaho, the number of violent crimes committed during 2010 for every 100,000 people was 221, which was less than the 228.4 for the preceding year although the state's ranking increased two places to 44th (Budget and Policy Analysis 2011b: p. 114; Budget and Policy Analysis 2012c: p. 114). The state had a slight drop in murders from 1.4 per 100,000 population to 1.3; its national ranking again increased by two to 47th. Its incarceration rate dropped from 476 people for 2009 to 474 people for 2010 and from 14th to 12th. Finally, the number of people on death row was 14 in 2009 but increased to 16 in 2010; Idaho's ranking in the country fell one place to 21st.

### 3 Politics in Idaho

Since 1999, a plurality of Idahoans have consistently identified themselves as Republicans, ranging from a low of 33% in 2010–2011 to a high of 47% in 2004 (Boise State University 2011, p. 33). Self-identifying Independents have made up the second largest group, extending from 25% in 1999 to 37% in 2010. Democratic identifiers have been as high as 25% in 2007 to a low of 17% in 2005. Most recently, the Independents have been the largest group (37%) followed by Republicans

(33%) and Democrats (21%). During this period, most Idahoans have regarded themselves mainly as conservative or “middle of the road” (Boise State University 2001–2008). Most recently, 45.9% answered very or somewhat conservative, 31%, middle of the road, and 19.6%, somewhat or very liberal (Boise State University 2011, p. 31).

The Republican Party has dominated Idaho politics. After the 2010 election, it held all four Idaho seats in Congress and all seven state elective executive offices (Secretary of State 2010a). As noted in Table 1, Republican governors have served consecutively since in 1995. During the last two decades, the GOP’s edge in the state senate has extended from 66 to 91%. In 2012, four out of five senators have been Republicans. The party’s margin in the house of representatives has been as low as 71% to as high as 87%. After the 2010 elections, the Republicans gained five more seats and increased their advantage to 81% in the 2012 session (Secretary of State 2010b). In the 2010 election, of the 35 senate seats, 16 seats, or 46%, were uncontested, and the Republicans won all of them. Twenty-nine, or 41%, of the races for the 70 house seats were uncontested, and the GOP captured 27 or 93% of them (Secretary of State 2010b).

**Table 1:** Political Party Affiliations of Idaho’s Governors and Legislatures, 1993–2012.

Years	Governor (4 year term)	Senate (2 year term)					House of Rep. (2 year term)				
		Total	Dem.		Rep.		Total	Dem.		Rep.	
			#	%	#	%		#	%	#	%
1993–1994	Andrus (D)	35	12	34	23	66	70	20	29	50	71
1995–1996	Batt (R)	35	8	23	27	77	70	13	19	57	81
1997–1998	Batt (R)	35	5	14	30	86	70	11	16	59	84
1999–2000	Kempthorne (R)	35	4	11	31	89	70	12	17	58	83
2001–2002	Kempthorne (R)	35	3	9	32	91	70	9	13	61	87
2003–2004	Kempthorne (R)	35	7	20	28	80	70	16	23	54	77
2005–2006	Kempthorne/Risch(R)	35	7	20	28	80	70	13	19	57	81
2007–2008	Otter (R)	35	7	20	28	80	70	19	27	51	73
2009–2010	Otter (R)	35	7	20	28	80	70	18	26	52	74
2011–2012	Otter (R)	35	7	20	28	80	70	13	19	57	81

Sources: State of Idaho, Secretary of State, Idaho Blue Book: 1999–2000, p. 52, 155; State of Idaho, Legislature, Legislative Services Office, Legislative Directory for the 2001, 2003, 2004, 2005, 2006, 2007, 2008, 2009, and 2010 sessions, Contents page; State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis 2011, Idaho Fiscal Facts, p. 110 and 2012 Idaho Fiscal Facts, p. 110.

## 4 Idaho’s Budgeting Process

The fiscal year for the state budgeting process begins July 1 and ends June 30. For a description of the major executive and legislative players who are involved in the preparation and approval of state budgets and appropriations, see Kinney (2010, p. ID-3).

## 5 Idaho’s Economy

As noted in Table 2, the state economy has felt the effects of the recession. In 2009, almost all of the income and employment indicators were negative, and some of them declined again in 2010. In January of 2012, the Division of Financial Management (DFM) in the Office of the Governor, reported that the state economy improved during 2011 although not as well as was predicted 1 year earlier (Division of Financial Management 2012a, p. 15). Total non-farm employment increased only 0.2%, not the expected 1%. Job growth rates in the services and trades were lower (Kinney 2012). The mining and food processing sectors encountered losses

**Table 2:** Percentage Growth Rates of Selected Indicators for Idaho’s Economy, 2009–2013.

	2009	2010	2011	2012	2013
Personal income current \$	(5.0)	4.2 <sup>a</sup>	4.7	3.1	3.8 <sup>a</sup>
Personal income per capita current \$	(6.2)	2.7	3.4	1.4	2.1
Total non-farm employment	(6.0)	(1.2)	0.2	1.6 <sup>a</sup>	2.5 <sup>a</sup>
Goods producing	(17.6)	(5.0)	0.0	(0.4)	1.6 <sup>a</sup>
Selected sectors					
Computer/Electronics Manufacturing Jobs	(22.4)	(4.6)	5.2 <sup>a</sup>	(2.3)	(2.5)
Logging /Wood Products Jobs	(26.6)	(2.6) <sup>a</sup>	4.6 <sup>a</sup>	(1.6) <sup>a</sup>	9.8 <sup>a</sup>
Construction jobs	(23.6)	(9.4)	(5.2)	(1.8) <sup>a</sup>	2.1 <sup>a</sup>
Mining jobs	(21.3)	6.1 <sup>a</sup>	11.0	5.5 <sup>a</sup>	2.3 <sup>a</sup>
Food processing jobs	(1.2) <sup>a</sup>	(1.5)	(0.5)	0.1	(0.7)
Non-goods producing	(3.6)	(0.5)	0.3	2.0 <sup>a</sup>	2.6 <sup>a</sup>
Services jobs	(3.6)	0.1	1.2	2.4 <sup>a</sup>	3.2 <sup>a</sup>
Trades jobs	(7.4)	(1.6)	(0.1)	1.9 <sup>a</sup>	3.4 <sup>a</sup>
State/local government jobs	0.0 <sup>a</sup>	(1.3)	(1.1) <sup>a</sup>	1.0 <sup>a</sup>	0.3 <sup>a</sup>
Federal government jobs	2.3	(0.5)	(7.3)	0.2 <sup>a</sup>	(0.5) <sup>a</sup>

Source: State of Idaho, Office of the Governor, Division of Financial Management, Idaho Economic Forecast, Vol. 34, no. 1 (January 2012), 33–43.

Notes: Decreases are in parentheses. <sup>a</sup>Indicates the state figure was a larger increase or smaller decrease than the figure for the national economy.

instead of the anticipated slight increases; construction and federal government employment experienced larger decreases than were predicted. On the more positive side, job increases in computer/electrical manufacturing and logging/wood products did exceed the expectations.

The DFM's forecast for 2012 and 2013, which will cover parts of FY 2013, was likewise modest. It expected total non-farm job growth to be 1.6% for 2012 and 2.5% for the following year. It anticipated personal income to decline during the period if the temporary decrease in payroll withholding taxes was reversed (Division of Financial Management 2012a, p. 15). As noted in Table 2, Idaho's personal income in current dollars for 2013 and increases in non-farm employment in 2012 and 2013 were to exceed the rates for the US economy overall.

Job prospects in non-goods producing, which "[accounted] for two-thirds of Idaho's total nonfarm payroll," were optimistic (Division of Financial Management 2012a, p. 20). As noted in Table 2, the DFM expected the numbers of jobs to increase in 2012 and 2013 and at better rates than those for the national economy. The services component was to provide about three-fourths of the jobs in this sector and benefit from the start up of new call and service centers in the state (Division of Financial Management 2012a, p. 21). After two consecutive years of job losses in state and local government, the DFM forecasted modest gains in 2012 and 2013 and noted how demands and support for services were affected by having fewer people moving to Idaho due to the economic downturn, reduced job opportunities, housing market woes, revenue scarcity, and budget constraints (Division of Financial Management 2012a, pp. 18–19). Prospects for federal employment diminished since the completion of the national census and the attention given to addressing the national budget deficit (Division of Financial Management 2012a, p. 19).

New job opportunities in the goods producing sector were less optimistic. As noted in Table 2, employment was to drop by 0.4% in 2012 and rebound by 1.6% the following year. The most favorable outlook was for mining jobs with expected increases in both 2012 and 2013, boosted in part by gains in the prices for metals (Division of Financial Management 2012a, p. 21). The prospects for other major components were less positive. The forecast for computer and electronics manufacturing jobs decreased during 2012 and 2013. The anticipated employment opportunities in logging, wood production, and construction jobs declined in 2012 and increased in the following year. The outlook for food processing jobs, the "largest manufacturing employment sector" in Idaho, varied from a very minimal increase in 2012 to a slight drop off the next year (Division of Financial Management 2012a, pp. 19–20).

Lastly, in October when DFM budget analysts were reviewing agency requests and preparing their recommendations for the governor, the labor

department reported that the Gem State’s unemployment rate (seasonally adjusted) had dropped under the national figure for the first time since November of 2010 (Department of Labor 2011a). The September jobless rate was 9.0%, down 0.2% from the previous month and 0.5% from last September. Good news continued in December just as the governor and his budget staff were finalizing the budget (Department of Labor 2011b). The seasonally adjusted rate for Idaho was down to 8.5% for November. For the third consecutive month, the state rate was under the number for the US economy overall. Just fewer than 696,000 people had jobs, which was 10,000 more people who were at work than a year earlier. Sixty-five thousand people were still without jobs, or 8000 fewer than the number of people who were unemployed in November of 2010. Compared to the numbers reported 12 months earlier, the unemployment rates in 41 of the state’s 44 counties were lower. Despite these promising developments, the number of Idahoans lacking jobs still exceeded the pre-recession rates, and employment figures in construction and manufacturing had fallen to levels in the early- and mid-1990s.

## 6 General Fund Revenues

In January of 2012, when the governor submitted the budget to the legislature, the DFM provided a revised General Fund revenue forecast for FY 2012 and an initial forecast for FY 2013.

When it updated the FY 2012 forecast in the summer as the fiscal year began, the DFM anticipated a General Fund total of \$2.601 billion (Division of Financial Management 2011, August). For the first 5 months of the fiscal year, the actual overall collections of General Fund revenues fell below the predicted amounts four times (Division of Financial Management 2011, August–December). By the end of November, the state had received \$16.2 million dollars less than was expected. After monitoring these revenue collections and completing its quarterly economic update, the DFM decreased the total to \$2.553 billion dollars (Division of Financial Management 2012b, p. 27). It lowered the amounts for the individual income tax by \$21.0 million and the sales tax by \$30.4 million and increased the figures for the corporate income tax by \$0.9 million, product taxes by \$0.06 million, and miscellaneous sources by \$2.0 million. For FY 2013, the state was to receive \$2.700 billion dollars, or \$147.6 million dollars and 5.8% more than the revised figure for FY 2012 (Division of Financial Management 2012b, p. 27). The combined collections from the individual income and sales taxes represented 88.1% of the total amount.



**Table 3:** Idaho General Fund Revenue Totals and Major Components, for FY 2008- FY 2013 (\$ in Billions).

Fiscal Year	Total		Individual Income		Corporate Income		Sales	
	\$	%	\$	%	\$	%	\$	%
2008 Actual	2.908	3.4	1.430	2.1	0.189	(0.5)	1.141	5.9
2009 Actual	2.466	(15.2)	1.168	(18.3)	0.141	(25.5)	1.022	(10.4)
2010 Actual	2.265	(8.2)	1.062	(9.1)	0.097	(31.2)	0.956	(6.5)
2011 Actual	2.445	7.9	1.153	8.5	0.169	74.1	0.972	1.7
2012 Forecast <sup>a</sup>	2.553	4.4	1.220	5.8	0.177	4.6	1.013	4.2
2013 Forecast <sup>a</sup>	2.700	5.8	1.295	6.2	0.183	3.4	1.083	6.8

Source: State of Idaho, Office of the Governor, Division of Financial Management, General Fund Revenue Book [for] FY 2013, January 2012, 27.

Note: The percentages are the differences from the previous fiscal year. Decreases are noted in parentheses.

<sup>a</sup>Forecasts reported in January of 2012.

As suggested in Table 3, the General Fund for FY 2009 and FY 2010 declined in dollar amount and percentage due to the recession. Idaho's prospects improved for FY 2011 and, in January of 2012, were expected to continue rebounding. However, even if the actual collections for FY 2012 were at the forecast levels, Idaho revenues would still be \$355.1 million or 12.2% below the FY 2008 figure, which was received just before the state's woes began. If the FY 2013 forecast was accurate, the gap would narrow to \$207.5 million or 7.1%. The state was making some progress, albeit gradually.

## 7 The Governor's Budget

When he addressed the legislature and public on January 9, 2012, Otter cited "jobs and education" as major priorities (Office of the Governor 2012a). He wanted to promote a "more efficient, effective, and smaller State government and to protect Idaho's hard-working taxpayers" and "encourage economic opportunity, ensure responsible government, and empower Idahoans to be the architects of their own destiny." He indicated that the "efficiency and prudent frugality" pursued to weather the effects of the recession were now "standard" and the "new normal" for the future. He highlighted his Project 60 program to bring together public and private players to enhance the state economy and business development and mentioned his Idaho Global Entrepreneurial Mission (IGEM) initiative to "help

our existing businesses grow, nurture the start up of new businesses, and create more jobs and opportunities” which “will require...a significant cultural change in how our universities approach research and working with industry.” He repeated his support for reforms that involved “cultural and technological changes” in K-12 public education, proposed by the state superintendent of public instruction and passed by the legislature last year.

For FY 2013, Otter recommended an All Funds budget of \$6.275 billion. It consisted of spending of \$2.656 billion in General Fund monies, \$1.268 billion in dedicated funds, and \$2.351 billion in federal funds (Budget and Policy Analysis 2012a: p. 13). Approximately 62% of the All Funds total included monies for trustee-benefit payments and lump sum spending. Personnel costs, operating expenses, and capital expenditures received smaller portions: 19.7%, 12.1%, and 6.4%, respectively. Just under 97% of the total covered ongoing expenditures with the remaining 3.3% for one-time expenses.

The governor proposed a \$41.1 million “surplus eliminator” to provide a one-time increase in state employees’ pay, \$45.0 million in tax relief without elaborating on what form it should take, a \$60.0 million transfer from the General Fund to begin building back up the state’s various emergency funds, and a deposit of \$1.5 million into the state’s “constitutional defend” fund (Office of the Governor 2012b, pp. A–1).

As noted in Table 4, the governor reduced the total amounts that were requested by \$178.8 million in All Funds and \$180.2 million in the General Fund (Budget and Policy Analysis 2012a, pp. 18–21). For the functional totals, his largest General Fund and All Funds dollar reductions were for education and health and human services. Percentage-wise, his largest decreases were in the General Fund amounts for general government and natural resources and the All Funds amount for public safety. In terms of the individual budgets, the governor’s recommendations were below the amounts requested for 34 of the 35 General Fund budgets and 39 of the 42 All Funds budgets (Budget and Policy Analysis 2012a, pp. 22–23).

In analyzing his General Fund recommendations here and later in this report, we excluded the spending of the legislative and judicial branches. Idaho statute prescribes that the governor is to report the requests from the legislature and judiciary as prepared by them and submitted to his budget office (Budget and Policy Analysis 2012a, pp. 6–115). Regarding the major individual expenditures noted in the table, Otter’s General Fund dollar reductions were the largest for public schools, universities and one four-year college (hereinafter referred to as simply the “universities”), and Medicaid. His biggest All Funds decreases were for public schools and universities. Percentage-wise, his greatest reductions were for the universities.

**Table 4:** Executive Budget Amounts Compared to Requested Amounts, FY 2013.

	General Fund		All Funds		Diff. in %
	\$	%	\$	%	
Statewide Total	(180,172,100)	(6.4)	(178,828,000)	(2.8)	3.6
Functional Totals					
Education	(83,783,600)	(4.9)	(88,115,400)	(3.9)	1.0
Health and Human Services	(61,055,200)	(7.6)	(37,189,200)	(1.5)	6.1
Public Safety	(21,029,400)	(7.8)	(21,850,700)	(5.9)	1.9
Natural Resources	(2,996,200)	(9.0)	(10,252,500)	(3.9)	5.1
Economic Development	(931,800)	(3.7)	(9,421,700)	(1.3)	2.4
General Government	(10,375,900)	(10.3)	(11,998,500)	(3.9)	6.4
Major Expenditures					
Public Schools	(37,606,800)	(2.9)	(37,607,000)	(2.4)	0.5
Universities	(34,869,900)	(13.3)	(37,730,600)	(7.8)	5.5
Health and Welfare (non-Med.)	(6,265,400)	(4.4)	(11,918,400)	(2.6)	1.8
Health and Welfare (Medicaid)	(39,438,000)	(7.6)	(9,865,800)	(0.5)	7.1
Adult Corrections	(10,272,800)	(5.8)	(10,432,900)	(5.3)	0.5
Juvenile Corrections	(2,775,700)	(7.1)	(2,782,100)	(5.5)	1.6
Transportation	na	na	(2,712,700)	(0.5)	na

Source: State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho Legislative Budget Book [for the] 2012 Legislative Session, pp. 18–21.

Note: Numbers and percentages in parentheses are reductions.

The governor's recommended reductions very likely aimed to restrain General Fund spending, which was not surprising, given his intention to establish a "new normal" for the future. The percentage reductions for all functional areas and major individual expenditures were larger for the General Fund than for All Funds spending. For the functional areas, the differences extended from <2.0 points for education and public safety to more than 6.0 points for general government and health and human services. For major expenditures, they ranged from 0.5 point for public school support and adult correction to 7.1 points for Medicaid.

We examined the governor's support for these requests using a measure in the state budgeting literature (e.g., Sharkansky 1968). His support was Otter's recommended amount as a percentage of the requested amount. We asked, 'Was his support related to the dollar magnitude of the request (size) and percentage increase sought in the request (acquisitiveness), two variables also referred to in the literature?' In analyzing his General Fund support, we excluded all budgets that received no General Fund money and, as noted above, the spending of the legislative and judicial branches. When

we considered the relationships involving All Funds spending, we added back the non-General Fund budgets. As noted in Table 5, the governor made larger reductions in the more acquisitive General Fund requests and, to a lesser degree, more acquisitive All Funds requests. His support was insignificantly related to size.

The FY 2013 budget recommended statewide spending increases of 5% in the General Fund and 3.9% for All Funds (Budget and Policy Analysis 2012a, p. 19, 21). As noted in Table 6, for the General Fund, Otter’s budget proposed increases for all functional areas, extending from 2.1% for natural resources to 12.9% for economic development. For All Funds, it called for increased spending for five functional totals ranging from as low as 0.2% for general government to as high as 8.4% for health and human services and reducing expenditures for economic development by 2.3%. The nature and magnitude of the changes he proposed for the individual budgets varied. Otter endorsed increases in General Fund spending for 33 of the 35 budgets. (We omitted the budgets for the judicial and legislative branches as noted earlier.) These increases extended from 0.4% (education special programs) to 45.4% (commerce). The governor endorsed no increases for medically indigent health care and a decrease for the labor department. Regarding All Funds budgets, he supported increases in 31 of the 42 budgets ranging from 0.4% for professional-technical education to 130.2% for the state treasurer’s office. He recommended decreasing 11 budgets with the reductions as small as 0.1% for environmental quality and as large as 13.8% for medically indigent health care.

We examined the governor’s support for growth using another measure in the state budgeting literature (e.g., Sharkansky 1968). His support was Otter’s proposed amount for FY 2013 as a percentage of the figure appropriated originally for FY 2012. As noted in Table 7, Otter tended to endorse greater All Funds growth for the more acquisitive All Funds requests. His All Funds support was not related with size and his support for requests. The governor’s General Fund support was related weakly and not significantly with size, acquisitiveness, and his support for requests.

**Table 5:** Correlations for the Governor’s Support for Request, FY 2013.

Governor’s Support with	General Fund			All Funds		
	n	r	Significance	n	r	significance
Size	35	0.11	0.517	42	0.11	0.490
Acquisitiveness	35	−0.86	0.000*	42	−0.46	0.006*

\*Significant at the 0.01 level (two-tailed).



(Table 6: Continued)

	Executive Budget Recommendations				Legislative Appropriations			
	General Fund		All Funds		General Fund		All Funds	
	\$	% <sup>a</sup>	\$	% <sup>a</sup>	\$	% <sup>a</sup>	\$	% <sup>a</sup>
Judiciary	29,729,000	1.6	48,403,800	0.2	30,329,400	3.7	49,525,400	2.6
Juvenile Corrections	36,371,100	1.7	47,782,200	1.4	36,717,500	2.7	48,136,300	2.2
State Police	16,462,700	10.6	64,549,500	1.9	17,616,600	18.3	66,711,800	5.3
Natural Resources								
Total	30,288,100	2.1	255,889,400	6.9	30,958,300	4.4	258,029,600	7.8
Environmental Quality	13,981,700	1.3	61,386,500	(0.1)	14,276,200	3.5	61,954,400	0.8
Fish and Game	0	na	92,421,200	19.7	0	na	93,068,800	20.5
Lands	4,144,200	5.7	46,358,500	4.6	4,258,000	8.6	46,745,200	5.4
Parks and Recreation	1,313,600	0.4	35,324,900	(2.7)	1,322,600	1.1	35,562,800	(2.1)
Water Resources	10,848,600	2.1	20,398,300	1.5	11,101,500	4.5	20,698,400	3.0
Economic Development								
Total	24,294,900	12.9	728,619,100	(2.3)	24,681,800	14.7	733,592,900	(1.7)
Agriculture	9,700,700	11.1	38,964,100	(1.1)	9,816,500	12.4	39,154,900	(0.6)
Commerce	5,716,100	45.4	39,976,000	35.3	5,753,300	46.3	40,033,300	35.5
Finance	0	na	6,320,100	3.6	0	na	6,399,800	4.9
Indus. Comm.	0	na	14,953,100	(11.7)	0	na	15,094,700	(10.9)
Insurance	0	na	8,083,600	0.9	0	na	8,163,300	1.9
Labor	426,800	(25.3)	6,112,500	38.5	436,000	(23.7)	5,723,200	29.7
PUC	0	na	5,193,600	2.0	0	na	5,255,900	3.2
Self-Governing Agencies	8,451,300	2.0	79,552,100	7.2	8,676,000	4.8	81,583,200	10.0
Transportation	0	na	529,464,000	(5.9)	0	na	532,184,600	(5.4)

(Table 6: Continued)

	Executive Budget Recommendations			Legislative Appropriations		
	General Fund		All Funds	General Fund		All Funds
	\$	% <sup>a</sup>	\$	\$	% <sup>a</sup>	\$
General Government						
Total	90,818,900	4.6	296,802,300	92,357,300	6.4	294,873,700
Administration	8,882,300	35.3	56,380,400	8,907,500	35.4	56,298,400
BF Adv. Coun	0	na	22,614,500	0	na	22,614,500
Attorney General	15,849,400	1.5	18,432,500	16,514,900	5.8	18,725,400
Controller	5,937,400	1.0	13,029,500	6,236,800	6.1	13,407,200
Office of the Governor	16,161,800	2.5	127,663,400	16,310,400	3.5	128,831,800
Legislature	10,656,100	0.0	12,050,200	10,882,000	2.1	12,325,800
Lieutenant Governor	141,400	5.3	141,400	142,800	6.3	142,800
Revenue and Taxation	29,545,800	1.8	36,004,500	29,713,000	2.3	36,343,000
Secretary of State	2,315,300	25.9	2,315,300	2,308,300	25.6	2,308,300
State Treasurer	1,329,400	1.5	8,170,600	1,341,600	2.5	3,876,500
Statewide	2,655,450,100	5.0	6,274,641,500	2,702,105,700	6.8	6,277,451,900

Sources: State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho Legislative Budget Book for Fiscal Year (2013, pp. 22–23) and Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013, p. 27.

<sup>a</sup>Percentages are changes relative to FY 2012 original appropriations. Numbers in parentheses are decreases.

Table 7: Correlations for the Governor’s Support for Growth, FY 2013.

Governor’s Support with	General Fund			All Funds		
	n	r	Significance	n	R	Significance
Budget size	35	−0.03	0.886	42	−0.07	0.644
Acquisitiveness	35	0.20	0.249	42	0.65	0.000*
Support for requests	35	0.29	0.093	42	−0.03	0.873

\*Significant at the 0.01 level (two-tailed).

## 8 The Legislature’s Decisions for FY 2013

At the beginning of the 2012 session, the legislature’s Joint Economic Outlook and Revenue Assessment Committee (JEOARC), consisting of 14 Republicans and four Democrats, examined the state economy and revenues and heard from economists in the tax commission, universities, and taxpayers association along with the DFM’s chief economist (JLEORAC 2012). For FY 2012, it decided that the governor’s projection of \$2.553 billion “was reasonable” for spending decisions by the legislature. Regarding FY 2013, JEOARC members submitted estimates from as low as \$2.365 billion to as high as \$2.675 billion; the median figure was \$2.639 billion. The committee recommended to the leadership of the legislature and the important Joint Finance-Appropriations Committee (JFAC) that \$2.667 billion be used for appropriations decisions. This figure was \$33.3 million below the governor’s number of \$2.700 billion.

For FY 2013, the legislature appropriated an All Funds total of \$6.278 billion (Budget and Policy Analysis 2012b, p. 26). This figure included \$2.702 billion for the General Fund, \$1.280 billion in dedicated funds, and \$2.296 billion from federal funds. The General Fund represented 43% of the total, dedicated funds, 20.4%, and federal funds, 36.6%. Of the All Funds amount, approximately 19% was for personnel; 12%, operating; 6.5%, capital; 37%, trustee and benefit payments; and 26%, lump sums. Ninety-seven percent was for ongoing expenditures with the remainder going to fund one-time expenses (Budget and Policy Analysis 2012b, p. 26).

The legislature passed a measure to fund an ongoing pay increase of 2.0% state workers and public school classified employers and shied away from the governor proposed one-time 3.0% increase in state employees’ pay contingent on having a revenue surplus (Budget and Policy Analysis 2012b, pp. 3–6). Regarding tax relief, Otter called for unspecified tax relief of 45 million dollars. Through several measures, the legislature reduced General Fund revenues by a total of 39 million dollars, \$35.7 million of which was in the form of decreased tax rates



in the individual and corporate income taxes. Otter wanted to transfer 61 million dollars in General Fund monies to the state's emergency funds and deposit 1.5 million dollars into the state's "constitutional defense" fund. The legislature approved smaller amounts: \$23.5 million for the rainy fund and \$0.5 million for the defense fund.

The legislature appropriated amounts below the overall requested amounts statewide by \$176.0 million in All Funds and \$133.5 million in the General Fund (Budget and Policy Analysis 2012b, pp. 34–35). As noted in Table 8, they were also less than the amounts requested for the six functional totals. The biggest General Fund and All Funds dollar differences were for education and health and human services. The gaps, percentage-wise, were the most regarding the amounts sought for general government and the least for economic development monies.

The lawmakers' figures also were less for 27 of the 37 individual General Fund budgets and 31 of the 44 All Funds individual budgets. In this analysis, we included the judicial and legislative branches because the legislature, unlike the governor, can act on these budgets. Regarding major individual budgets listed in the table, the largest dollar differences between the appropriated amount and the

**Table 8:** Legislative Appropriations Compared to Requested Amounts, FY 2013.

	General Fund		All Funds		Difference in %
	\$	%	\$	%	
Statewide Total	(133,516,500)	(4.7)	(176,017,600)	(2.7)	2.0
Functional Totals					
Education	(55,827,800)	(3.3)	(52,989,400)	(2.3)	1.0
Health and Human Services	(50,399,500)	(7.1)	(83,909,000)	(3.4)	3.7
Public Safety	(15,580,800)	(5.8)	(12,631,900)	(3.4)	2.4
Natural Resources	(2,326,000)	(7.0)	(8,112,300)	(3.0)	4.0
Economic Development	(544,900)	(2.2)	(4,447,900)	(0.6)	1.6
General Government	(8,837,500)	(8.7)	(13,927,100)	(4.5)	4.2
Major Expenditures					
Public Schools	(13,059,400)	(1.0)	(8,236,400)	(0.5)	0.5
Universities	(33,664,100)	(12.9)	(34,311,600)	(7.1)	5.8
Health and Welfare (non-Med.)	(6,174,900)	(4.3)	(9,438,800)	(2.0)	2.3
Health and Welfare (Medicaid)	(46,252,600)	(8.9)	(76,849,600)	(3.9)	5.0
Adult Corrections	(6,924,900)	(3.9)	(4,852,100)	(2.5)	1.4
Juvenile Corrections	(2,429,300)	(6.2)	(2,428,000)	(4.8)	1.4
Transportation	na	na	–	–	–

Source: State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013, pp. 34–35.

Notes: The appropriated amount for transportation exceeded the requested figure. Numbers and percentages in parentheses are reductions.

requested number were for public schools’ General Fund spending and the All Funds figure for Medicaid. The largest percentage differences were for the universities, and the smallest, public school support.

Consistent with our findings for the governor’s budget recommendations, the percentage differences for the legislature’s appropriations relative to the requested numbers for the General Fund were larger than those regarding All Funds spending. This pattern applied to the statewide total, all functional areas and major individual expenditures. For the functional areas, the differences extended from 1.0 point for education to 4.2 points for general government. Regarding the major individual expenditures, they ranged from 0.5 point for public schools to 5.8 points for the universities. As the governor did, the legislature seemed to scrutinize General Fund requests more closely to restrain spending growth and find a “new normal” for state spending.

We examined relationships with the legislature’s support for requests. Using the past literature (Sharkansky 1968), we defined support as the legislature’s appropriation amounts as percentages of the requested amounts. As reported in Table 9, for the budgets with General Fund monies, lawmakers made larger cuts in the more acquisitive requests. Their support for requests was related very weakly and not significantly with size. The findings were similar concerning All Funds spending. Furthermore, lawmakers tended to provide greater support for those requests that the governor himself supported more. (In the analysis of the governor’s recommendations and legislature’s actions, we did not include the budgets for the judicial and legislative branches because of the constraints on the governor’s decisions).

Relative to their FY 2012 General Fund appropriations, lawmakers increased the amounts for the statewide total and six functional categories, as noted in Table 6 above. They also added monies to the All Funds statewide total and for education, health and human services, public safety, and natural resources. Concerning the 37 General Fund individual budgets, the legislature increased the spending in 36 budgets extending from as low as 0.8% for the independent living council to as high as 89.6% for medically indigent health. It reduced the budget

**Table 9:** Correlations for the Legislature’s Support for Requests, FY 2013.

Legislature’s Support with	General Fund			All Funds		
	N	R	Significance	n	r	Significance
Size	37	0.08	0.624	44	0.05	0.732
Acquisitiveness	37	−0.73	0.000*	44	−0.65	0.000*
Governor’s support for requests	35	0.84	0.000*	42	0.58	0.000*

\*Significant at the 0.01 level (two-tailed).

**Table 10:** Correlations for the Legislature’s Support for Growth, FY 2013.

Legislature’s Support with	General Fund			All Funds		
	n	r	Significance	n	r	Significance
Size	37	−0.05	0.756	44	−0.11	0.464
Acquisitiveness	37	0.48	0.003*	44	0.30	0.047
Legislature’s support for requests	37	0.21	0.210	44	0.08	0.606
Governor’s support for growth	35	0.54	0.001*	42	0.31	0.049

\*Significant at the 0.01 level (two-tailed).

for the labor department by almost 24% due to gradual removal of General Funds for the human rights commission (Budget and Policy Analysis 2012b, pp. 5–35). The legislature increased 37 of the 44 All Funds budgets, ranging from <1% for the public schools and environmental quality to 63% for medically indigent health.

Compared to the governor’s FY 2013 budget recommendations, the legislators’ totals for All Funds and General Fund appropriations were higher by \$2.8 million and \$46.7 million, respectively (Budget and Policy Analysis 2012b, pp. 34–35). As shown in Table 6, for the statewide totals, the legislators appropriated larger increases; the difference was greater for General Fund spending than for All Funds expenditures. In addition, they supported larger increases in the General Fund for all six functional totals and in All Funds spending for education, public safety, and natural resources. Concerning individual budgets, the lawmakers granted greater increases for 31 of the 35 General Fund budgets and 28 of the 42 All Funds expenditures. (For this comparison with the governor’s budget, we again omitted the legislative and judicial branches.)

We considered whether the legislature’s support for growth (i.e., its FY 2013 appropriations amounts as percentages of the original FY 2012 appropriation figures) was related with selected variables. As reported in Table 10, only two relationships were significant. Lawmakers tended to approve larger General Fund growth for the more acquisitive requests and the requests that the governor supported more. Their support was not related significantly with budget size and the legislature’s support for requests. Their support for All Funds growth was also not related with acquisitiveness and the governor’s support.

## 9 Potential Impacts

First, we examined whether the legislature’s decisions affected “appropriation shares.” They were based on the “fair share” concept in the budgeting literature

(Wildavsky and Caiden 1997, p. 46). They were the portions of the statewide total General Fund and All Funds amounts that the legislature appropriated. They possibly indicated the relative importance of various functions and individual budgets. Changes in them could reflect an increase or decrease in their importance.

As noted in Table 11, education and health and human services combined to consume 85.1% of the FY 2013 General Fund amount and 73.8% of the All Funds figure appropriated by the legislature. Of the remaining monies, public safety had the largest General Fund share, and economic development had the biggest All Funds portion. When compared to FY 2012, the increase for health and human services shares and decrease for education were the largest General Fund changes. The shares for the other four functional areas changed by 0.1 of a point or held steady. The largest changes in the All Funds portions were the increase for health and human services and the decrease for economic development. The shares for the other four functional areas experienced no change or a variation of 0.2 of a point.

For the major individual expenditures reported in the table, the General Fund shares of public school support and Medicaid together represented 64.9% of the

**Table 11:** Original Appropriations Shares, FY 2012 and FY 2013.

	General Fund			All Funds		
	FY 2012	FY 2013	Change	FY 2012	FY 2013	Change
<b>Functional Totals</b>						
Education	61.8	60.9	(0.9)	35.6	35.4	(0.2)
Health and Human Services	23.4	24.2	0.8	37.6	38.4	0.8
Public Safety	9.4	9.4	0.0	5.7	5.7	0.0
Natural Resources	1.2	1.1	(0.1)	3.9	4.1	0.2
Economic Development	0.9	0.9	0.0	12.4	11.7	(0.7)
General Government	3.4	3.4	0.0	4.9	4.7	(0.2)
<b>Major Expenditures</b>						
Public Schools	48.4	47.4	(1.0)	25.9	25.0	(0.9)
Universities	8.3	8.4	0.1	6.6	7.1	0.5
H&W (Non-Med.)	5.1	5.0	(0.1)	7.1	7.2	0.1
H&W (Medicaid)	17.2	17.5	0.3	29.9	30.4	0.5
Adult Corrections	6.2	6.2	0.0	3.0	3.0	0.0
Juvenile Corrections	1.4	1.4	0.0	0.8	0.8	0.0
Transportation	na	na	na	9.3	8.5	(0.8)

Sources: The shares were calculated using figures from State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho 2011a Legislative Fiscal Report for Fiscal Year 2012, p. 21 and Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013, p. 27.

Notes: Shares are the percentages of the statewide General Fund and All Funds totals. Decreases are indicated in the parentheses.

General Fund total appropriation and 55.4% of the All Funds total amount. Relative to FY 2012 General Fund portions, the shares for the universities and Medicaid increased, and those for public schools and health and welfare’s non-Medicaid spending decreased. Regarding All Funds shares, the portions for the universities, Medicaid, and the non-Medicaid health and welfare spending increased, and those for the universities and transportation shrunk. The shares for the correctional departments remained the same.

As noted in Table 12, the legislature’s General Fund shares for FY 2013 were related strongly and significantly with its FY 2012 shares and Otter’s FY 2013 budget shares. The legislature’s All Funds shares also were related strongly and significantly with the portions it approved for FY 2012 and the governor’s budget recommended for FY 2013. The differences in the number of cases when we examined the relationships between the legislature’s and the budget’s shares was because we left out the judicial and legislative branches as we noted earlier. Therefore, the appropriation decisions made by the legislature during the 2011 session for FY 2012 did not change the General Fund and All Funds shares in any major, noticeable way.

We considered whether progress was made to return budgets to their earlier levels. We calculated and compared the General Fund appropriations for FY 2011, FY 2012, and FY 2013 according to their percentage differences relative to the original FY 2009 appropriation numbers, which were approved in 2008 just before the state’s revenue problems and cutbacks began.

As indicated in Table 13, relative to the FY 2009 numbers, the legislature’s FY 2013 appropriation figures were still less for the statewide total, five functional totals, and 30 of the 37 individual expenditures. The only spending levels to exceed their FY 2009 amounts were those for the health and human services total and the individual budgets for health education programs, the superintendent of public education, medically indigent health care, Medicaid, self-governing agencies, administration, and revenue and taxation. Self-governing agencies benefited when the state libraries commission and historical society were transferred to it from education in 2009 (Budget and Policy Analysis 2009, pp. 5–49, 5–50).

**Table 12:** Correlations for The Legislature’s FY 2013 Appropriations Shares.

Legislature’s FY 2013 shares	General Fund			All Funds		
	n	r	Significance	n	r	Significance
Legislature’s FY 2012 shares	37	1.000	0.000*	44	0.999	0.000*
FY 2013 budget shares	35	1.000	0.000*	42	1.000	0.000*

\*Significant at the 0.01 level (two-tailed).

**Table 13:** Appropriations FY 2011-FY 2013 Relative to FY 2009 Original Appropriations, General Fund Only.

	FY 2011	FY 2012	FY 2013
Statewide General Fund Total	(19.4)	(14.5)	(8.7)
Education Total	(16.9)	(16.9)	(12.4)
Public School Support	(14.4)	(13.7)	(9.8)
Agriculture Research/Extension Service	(20.1)	(20.1)	(16.4)
Universities and College	(23.7)	(26.4)	(22.1)
Community Colleges	(19.2)	(22.4)	(6.5)
State Board of Education	(60.5)	(58.9)	(57.9)
Health Education Programs	5.3	5.7	7.0
Professional-Technical Education	(13.3)	(15.3)	(12.1)
Public Educational Television	(60.6)	(61.0)	(55.0)
Special Programs	(28.9)	(29.4)	(28.7)
Supt. of Public Instruction	(10.3)	(0.9)	13.2
Vocational Rehabilitation	(15.5)	(20.3)	(11.9)
Health and Human Services Total	(25.2)	(4.3)	5.8
Medically Indigent Health Care	(12.0)	(7.2)	75.9
Health/Welfare, non-Medicaid	(25.3)	(30.4)	(26.4)
Health/Welfare, Medicaid	(25.9)	8.4	17.8
Independent Living Councils	(21.0)	(24.9)	(24.3)
Public Health Districts	(23.0)	(27.4)	(24.7)
Public Safety Total	(18.5)	(12.9)	(6.9)
Adult Correction	(16.0)	(10.5)	(4.1)
Judicial Branch	(13.2)	(8.2)	(4.8)
Juvenile Corrections	(17.9)	(10.7)	(8.3)
Idaho State Police	(44.3)	(39.3)	(28.2)
Natural Resources Total	(45.3)	(46.9)	(44.6)
Environmental Quality	(27.2)	(29.7)	(27.3)
Lands	(26.6)	(29.9)	(23.8)
Parks and Recreation	(91.3)	(91.9)	(91.8)
Water Resources	(26.1)	(27.2)	(23.9)
Economic Development Total	(29.1)	(31.2)	(21.1)
Agriculture	(47.5)	(48.8)	(42.4)
Commerce	(55.0)	(57.3)	(37.5)
Labor	(9.3)	(26.2)	(43.7)
Self-Governing Agencies	96.6	94.5	103.7
General Government Total	(17.3)	(14.9)	(9.5)
Administration	(20.8)	(25.8)	1.5
Attorney General	(17.9)	(18.8)	(14.1)
Controller	(16.6)	(18.3)	(13.3)
Office of the Governor	(25.2)	(22.4)	(19.6)
Legislative Branch	(17.3)	(17.1)	(15.4)
Lieutenant Governor	(16.7)	(17.4)	(12.2)
Revenue and Taxation	(9.0)	0.1	2.4

(Table 13: Continued)

	FY 2011	FY 2012	FY 2013
Secretary of State	(33.4)	(34.1)	(17.3)
Treasurer	(19.4)	(23.4)	(21.6)

Sources: State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis, Idaho 2008 Legislative Fiscal Report for Fiscal Year 2009, Idaho 2010 Legislative Fiscal Report for Fiscal Year 2011, and Idaho 2011 Legislative Fiscal Report for Fiscal Year 2012, and Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013.

Notes: Numbers are percentage differences with FY 2009 original appropriations amounts. Negative percentage differences are indicated in the parentheses.

Without those transfers, self-governing agencies’ appropriation for FY 2013 would have been 24.5% below its FY 2009 amount.

Next, we focused on the immediate changes by comparing the gaps between the FY 2009 amounts on one hand, and FY 2013 and FY 2012 appropriations on the other. Several budgets seemed to be better off. The negative differences for the statewide total and five functional totals were not as large as they were for their FY 2012 appropriations. The FY 2013 appropriation amount for health and human services actually exceeded the figure for FY 2009. In addition, the gaps for 29 individual budgets were smaller. For 18 or 62% of those budgets, the changes were <5% points. Moreover, the amounts in the budgets for the superintendent of public instruction, medically indigent health care, and administration went from being below their FY 2009 amounts in FY 2012 to above them in FY 2013. Budgets for health education programs, revenue and taxation, Medicaid, and self-governing agencies were already above their FY 2009 amounts and increased even more for FY 2013. Only the labor department budget experienced an increase in its gap, which was due mainly to the continued removal of General Fund monies from the human rights commission’s budget (Budget and Policy Analysis 2012b, pp. 5–35).

Finally, to discern any longer-term patterns, we referred to the data for FY 2011. The gaps in the original appropriations for the three fiscal years continuously improved for the statewide total, four or 66.7% of functional totals, and 15 or 40.5% of the individual budgets in that the negative gaps narrowed or the appropriations numbers exceeded the FY 2009 figures. For the remaining two or 33.3% of the functional totals and 21 or 56.8% of the individual budgets, the negative gaps increased between FY 2011 and FY 2012 and then decreased between FY2012 and FY 2013. Once again, the pattern for labor was a steady worsening of its gap.

The difference between the statewide General Fund original appropriation amounts for FY 2009 and FY 2013 was \$257.2 million or 9.5%. As noted in Table 14, health and human services was the only functional total above its FY

**Table 14:** Increases Needed to Return General Fund Budgets to Their FY 2009 General Fund Original Appropriation Levels.

	Amount Needed	% Increase Needed
Statewide Total	\$257,177,700	9.5
Education Total	233,063,600	14.2
Public School Support	138,724,100	10.8
Agriculture Research/Extension Service	4,645,100	19.7
Universities and College	57,201,000	25.1
Community Colleges	1,916,500	6.9
State Board of Education	2,966,500	137.3
Health Education Programs	FY13 amt > FY09 amt	na
Professional-Technical Education	6,639,800	13.8
Public Educational Television	1,943,300	122.5
Special Programs	3,510,100	40.3
Supt. of Public Instruction	FY13 amt > FY09 amt	na
Vocational Rehabilitation	1,017,900	13.6
Health and Human Services Total	FY13 amt > FY09 amt	na
Medically Indigent Health Care	FY13 amt > FY09 amt	na
Health/Welfare, non-Medicaid	48,797,400	35.9
Health/Welfare, Medicaid	FY13 amt > FY09 amt	na
Independent Living Councils	31,400	32.1
Public Health Districts	2,663,200	32.7
Public Safety Total	18,895,300	7.5
Adult Correction	7,137,500	4.2
Judicial Branch	1,533,100	5.1
Juvenile Corrections	3,311,800	9.0
Idaho State Police	6,912,900	39.2
Natural Resources Total	24,917,000	80.5
Environmental Quality	5,348,800	37.5
Lands	1,332,800	31.3
Parks and Recreation	14,749,400	1015.2
Water Resources	3,486,000	31.4
Economic Development Total	6,597,100	26.7
Agriculture	7,230,000	73.7
Commerce	3,445,900	59.9
Labor	338,400	77.6
Self-Governing Agencies	FY13 amt > FY09 amt	na
General Government Total	9,662,200	10.5
Administration	FY13 amt > FY09 amt	na
Attorney General	2,700,700	16.4
Controller	960,100	15.4
Office of the Governor	3,988,200	24.5
Legislative Branch	1,974,900	18.1
Lieutenant Governor	19,800	13.9
Revenue and Taxation	FY13 amt > FY09 amt	na



(Table 14: Continued)

	Amount Needed	% Increase Needed
Secretary of State	483,300	20.9
Treasurer	368,700	27.5

Sources: State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho 2008 Legislative Fiscal Report for Fiscal Year 2009, and Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013.

2009 figure. The dollar amounts that needed to be added to return the other five functional totals to their FY 2009 levels ranged from \$6.6 million for economic development to \$233.1 million for education. The percentage increases extended from 7.5% for public safety to 80.5% for natural resources. Regarding the 37 individual budgets, the FY 2013 amounts for seven of them were above their FY 2009 figures. The dollar increases to return the other 30 budgets to their earlier levels extended from \$19,800 for the lieutenant governor to \$138.7 million for the public schools. The percentage increases also varied. They were <10% for four (13.3%) budgets, between 10 and 20% for eight (26.7%) budgets, and more than 20% for the remaining 18 (60.0%) budgets.

## 10 Conclusion

Idaho General Fund revenues have continued to rebound toward their levels before the state encountered economic problems and revenue declines. If the state actually received the amount forecasted for FY 2013, it still would be \$207.5 million below the FY 2008 figure collected before its economic and revenue woes.

General Fund budgets have made mixed progress to return to their FY 2009 levels before the expenditure reductions. FY 2013 appropriations for the statewide total, five of the six functional totals, and 30 of the 37 individual expenditures were still below the earlier numbers. Exceptions were the amounts for the health and human services functional total and the budgets for health education programs, the superintendent of public education, medically indigent health care, Medicaid, self-governing agencies, administration, and revenue and taxation.

In terms of budget shares, we found no major changes in the portions for functional totals and major individual expenditures. The shares for health and human services increased and those for education decreased, both marginally. Likewise, the portions for Medicaid gained while those for public schools diminished.

What have we learned about the “new normal” for state budgeting? Based on what we have found for FY 2013, it is another way to say that Idaho agencies should expect to do the same (or even more) with less spending in the near future.

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