

Making Progress in Idaho State Budgeting: The Sequel

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This paper examines Idaho state budgeting decisions for Fiscal Year (FY) 2014 and assesses what progress has been made to return to the state's revenue and spending levels before the hard times in 2009 and 2010 (Kinney 2010; Kinney 2011). After briefly describing Idaho's population and politics, the report discusses the state's economic and General Fund revenue contexts for budget decision making. It then analyzes the governor's budget and the legislature's appropriations and considers two important potential impacts of these decisions.

Idaho's People

With its 83,568 square miles, Idaho is the fourteenth largest state in size (Budget and Policy Analysis 2013c, 83). The United States government owns 63.1% of the Gem State's land area, and state government owns another 5.1%.

Idaho's estimated population increased from 1,584,985 in 2011 to 1,595,728 in the next year to rank thirty-ninth nationally at a growth rate of 0.8% (Budget and Policy Analysis 2012b, 113; Budget and Policy Analysis 2013c, 88). In 2011, 93.9% of the population was white (5th among the states), and 11.5% were Hispanic (16th nationally). School-age children were 19.5% of the population (2nd in the US). The graduation rate for public high school students was 84% in 2010 (10th in the country), up from 80.6% in 2009. Eighty-eight percent of people in Idaho were high school graduates. In 2011, 25.2% of the population were college graduates (37th in the US) up from 24.4% in 2010. In 2012 the mean salary for Idaho teachers was \$48,551, 33rd in the nation.

The state's personal income for 2011 was \$52.0 billion, two billion dollars more than 2010, and 41st nationally (Budget and Policy Analysis 2012b, 113; Budget and Policy Analysis 2013c, 88). While per capita income rose slightly from \$31,986 in 2010 to \$32,881 in 2011, Idaho's national ranking remained at 49th. Median household income rose from \$47,528 in 2010 to \$48,348 in 2011 (29th in the US). The number of farms dropped from 25,700 in 2010 to 24,700 in 2011 (Budget and Policy Analysis 2012b, 112; Budget and Policy Analysis 2013c, 87). The unemployment rate for 2012 was 6.6%, down from 8.4% in 2011, and 30th in the country. Idaho's 2.2% job growth for 2011–2012 placed the Gem State 7th in the country and was above the 1.3% rate for the previous period.

The poverty rate increased from 14.3% in 2010 to 15.3% in 2011, and the state ranked 20th nationwide (Budget and Policy Analysis 2012b, 115; Budget and Policy Analysis 2013c, 91). The portion of people with no health insurance rose from 16.6% in 2010 to 17.1% in 2011. Two of every three children in the 19–35 month age range had all of their immunizations for 2011, 43rd in the US. The percentage of people in Medicare increased from 14.6% in 2010 to 15.5% in

Table 1. Party Self-Identification in Idaho, 1999–2011

Party	Low	High	Most-Recently (2010–2011)
Democrat	17% (2005)	25% (2007)	21%
Independent	25% (1999)	37% (2010)	37%
Republican	33% (2010-2011)	47% (2004)	33%

Sources: Boise State University, College of Social Sciences and Public Affairs, Public Policy Center (2001-2008). *Idaho Public Surveys*, Reports 13-19 and Boise State University, College of Social Sciences and Public Affairs, Public Policy Center (2011). *20th Idaho Public Policy Survey- Statewide Results*.

2011 (36th nationally). The 1.9% of Idaho’s population that received public assistance maintained the state’s ranking low of 47. The number of people receiving Temporary Assistance for Needy Families (TANF) was 2,932 in 2011 and the state’s ranking was 49th. In Idaho, 14.5% of the people received food stamps in 2012 (26th nationally), compared to 14.4% the previous year.

In 2011, Idaho experienced 201 violent crimes for every 100,000 people, which was below the 221 for 2010 (Budget and Policy Analysis 2012b, 114; Budget and Policy Analysis 2013c, 90). Murders increased from 1.3 per 100,000 to 2.3 per 100,000 for a national ranking of 41st. The incarceration rate per 100,000 people increased from 474 in 2010 to 486 in 2011.

Politics in Idaho

In public opinion surveys since 1999, a plurality of Idahoans consistently called themselves Republicans. As noted in Table 1, their portion of the population was lowest at 33% in 2010–2011 and highest at 47% in 2004 (Boise State University 2011, 33; Boise State University, College of Social Sciences and Public Affairs, Public Policy Center 2001–2008). Independents comprised the next largest group with a low of 25% in 1999 and a high of 37% in 2010. The percentage of Democratic self-identifiers fluctuated from a low of 17% in 2005 to a high of 25% in 2007. Of the people interviewed in November 2010 through January 2011, Independents were the largest group (37%) followed by Republicans (33%) and Democrats (21%). Ideologically, 45.9% called themselves very or somewhat conservative, nearly a third (31%) considered themselves middle of the road, and 19.5% were somewhat or very liberal (Boise State University 2011, 31).

Idaho governors serve four-year terms and legislators two-year terms. All legislative seats are up for election at the same time every two years. Over the years, the Republican Party has consistently prevailed in Gem State politics. Since the mid-term election in 2010, the GOP has held all four Idaho seats in Congress and all seven state elected executive offices (Secretary of State 2010a). As noted in Table 2, Republicans have controlled the governor’s office since 1995 and held very large margins in the state legislature. For the last 10 years, Republicans filled 80% of the senate seats and 73% to 81% of the house membership.

An indication of Republican dominance is the number of uncontested seats in the legislature that GOP candidates have won. In 2008, 15 of the 35 senate seats (42.9%) and 23 of the 70 house

Table 2. Political Party Affiliations of Idaho’s Governors and Legislatures, 1993–2013

Legislative Session	Governor	Senate (35 Seats)		House of Representatives (70 Seats)	
		Dem.	Rep.	Dem.	Rep.
1993-1994	Andrus (D)	34%	66%	29%	71%
1995-1996	Batt (R)	23%	77%	19%	81%
1997-1998	Batt (R)	14%	86%	16%	84%
1999-2000	Kempthorne (R)	11%	89%	17%	83%
2001-2002	Kempthorne (R)	9%	91%	13%	87%
2003-2004	Kempthorne (R)	20%	80%	23%	77%
2005-2006	Kempthorne(R)/Risch(R)	20%	80%	19%	81%
2007-2008	Otter (R)	20%	80%	27%	73%
2009-2010	Otter (R)	20%	80%	26%	74%
2011-2012	Otter (R)	20%	80%	19%	81%
2013	Otter (R)	20%	80%	19%	81%

Sources: State of Idaho, Secretary of State, *Idaho Blue Book: 1999–2000*, 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*, 110, *2012 Idaho Fiscal Facts*, 110, and *2013 Idaho Fiscal Facts*, 86.

seats (33%) were uncontested in the general election. Republicans won 13 senate seats (86.7%) and Democrats two (13.3%). Republicans took 19 house seats (82.6%) to the Democrats four (17.4%) (Secretary of State 2008). The 2010 general election candidates had no opponents in 16 senate seats (45.7%) and 29 house seats (41.4%). Republicans won all 16 senate seats and 27 of the house seats (Secretary of State 2010b). In 2012, nine senate seats (25.7%) and 12 house seats (17.1%) were uncontested. Republicans won eight senate seats (88.9%) and all 12 house seats (Secretary of State 2012). While the percentage of uncontested seats has dropped in the senate and fluctuated in the house, Republicans have won 86% or more of these seats.

Idaho’s Budgeting Process

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

Idaho’s Economy

As noted in Table 3, Idaho’s economy has made some progress since the recession (Division of Financial Management 2013a, 15-45). Most indicators were negative in 2009; they were more positive in the 2013 and 2014 forecasts. As noted by the asterisks, several measures were better than the rates for the national economy. Regarding personal income, the Division of Financial Management (DFM) in the Executive Office of the Governor reported that after dipping in the

Table 3. Percentage Growth Rates of Selected Indicators for Idaho's Economy, 2009–2014

	2009	2010	2011	2012	2013	2014
Personal Income						
Current \$	(5.7)	3.5	5.1	2.9	2.9	5.3*
Per capita Curr \$	(6.9)	2.1	3.7	1.3	1.2	3.4
Total Non-Farm Employment	(6.0)	(1.2)	0.5	1.3	1.9*	2.8*
Goods Producing	(17.7)	(5.0)	0.2	1.9*	1.3*	4.1*
Selected Sectors						
Computer/Electronics Mfg Jobs	(22.4)	(4.7)	5.8*	4.0*	(1.8)*	(2.2)
Logging /Wood Products Jobs	(26.6)	(2.5)*	6.1*	5.8*	9.6*	17.9
Construction Jobs	(23.6)	(9.4)	(5.0)	(1.4)	(0.7)	7.0
Mining Jobs	(21.4)	6.1*	11.7	8.5*	3.6	1.9*
Food Processing Jobs	(1.2)*	(1.5)	(0.4)	1.4	(0.3)	0.4
Non-Goods Producing	(3.6)	(0.5)	0.5	1.2	2.0*	2.6*
Services Jobs	3.6)	0.1	1.2	1.4	2.8*	3.4*
Trades Jobs	(7.4)	(1.6)	(0.6)	2.1*	1.9*	2.9*
State/Local Government Jobs	0.0*	(1.3)	(0.6)*	(0.1)*	0.3*	0.1
Federal Government Jobs	2.3	0.5	(6.7)	(1.1)*	(1.3)*	(0.6)*

* indicates the state figure exceeded the national increase, the state's decrease was smaller than the national decrease, or the state's figure was an increase and the national figure was a decrease.

Source: State of Idaho, Office of the Governor, Division of Financial Management, *Idaho Economic Forecast*, Vol. XXXV, no. 1 (January 2013), 37-45.

Note: Decreases are in parentheses.

two previous years, the 2014 growth rate of personal income in current dollars doubled and the growth rate of personal income per capita in current dollars tripled. It indicated larger growth in total nonfarm employment. The forecasted increase for 2013 was almost four times better than the one for 2011, and the forecast for 2014 was 20 times better. The anticipated growth rates for 2013 and 2014 were higher than the national rates.

Outlooks for major parts of the state economy varied. Growth in goods-producing activities was 1.3% for 2013 and would triple in 2014, while the increases for nongoods producing activities, which comprised about 85% of all nonfarm employment in the state, were 2% for 2013 and almost 2.5% for 2014 (Division of Financial Management 2013a, 15). Concerning goods-producing sectors, the prospects for employment increases were brightest in logging and wood products where the 2013 and 2014 rates were above the national rates. This sector was “the single fastest growing sector” in Idaho in part due to a rebounding housing market; however it was also “one of the smallest” (Division of Financial Management 2013a, 17).

The DFM expected increases in mining of 3.6% in 2013 and only 1.9% in the following year. A rise in prices for silver and cobalt has led to further production and exploration activities. The DFM reported declines for computer and electronics manufacturing resulting in part from layoffs in Hewlett-Packard and Micron Technology. Enterprises were shifting their emphasis from production to research and development and hiring more people with knowledge and skills in science, technology, engineering, and mathematics (Division of Financial Management 2013a, 16). Jobs in construction aided by developments in housing markets and food processing declined in

2013 and rebounded in 2014. The opening of new cheese and yogurt plants boosted the dairy industry as well as food processing, which had become the state's largest manufacturing employer (Division of Financial Management 2013a, 19).

According to the DFM, nongoods producing activities provided "the engine that helps power the state's economy" (Division of Financial Management 2013a, 21). Service jobs were three times as numerous as trade jobs. New employment opportunities in education, health, leisure, and hospitality services contributed to the increase. Prospects in government jobs during 2013 and 2014 varied with very slight increases for state and local government employment and slight decreases in federal government jobs (Division of Financial Management 2013a, 18).

Lastly, in late 2012 the seasonally adjusted unemployment rate fell from 7.1% for September to 6.8% for November, dropping below 7% for the first time in 3.5 years; these unemployment rates were lower than the national average at the time (Department of Labor 2012a through c). The department reported that in November, 722,200 people had jobs in Idaho, 13,500 more than twelve months earlier, and 52,200 people were without work, 13,200 below the number for the previous November. This November was the sixth month in a row that Idaho's work force decreased. New job placements filled openings resulting from "firings, retirements, and other reasons" (Department of Labor 2012c). The US Bureau of Labor Statistics determined that the state's average rate for 2012 was 7.1%. The downward trend of the unemployment rate and the state labor force continued during the legislative session when Idaho lawmakers were deciding on appropriations. The rates reported for January and February were 6.3% and 6.2%, respectively, although total jobs filled dropped by four hundred in February (Department of Labor 2013b and 2013c).

General Fund Revenues

In January of 2012, the DFM forecast \$2.7 billion in General Fund revenues for FY 2013 (Division of Financial Management 2012a, 27). The major components of the Idaho General Fund have been the individual income tax and sales tax. The remaining monies have come from taxes on corporate income, certain products (cigarettes, tobacco, beer, wine, and liquor), and miscellaneous sources. The total amount for FY 2013 was a 5.8% increase over FY 2012. When it updated the forecast at the start of the fiscal year in the summer of 2012, the DFM lowered the figure to \$2.671 billion, due mainly to statutory changes that reduced the highest rates for individual and corporate income taxes, a redirection of certain alcohol license monies from the General Fund, and a more recent forecast of the economy (Division of Financial Management 2012b, August). Actual revenue collections for four of the first five months of FY 2013 fell below the predicted amounts (Division of Financial Management 2012b, August-December). At the beginning of December, the net underperformance was \$7.9 million.

As 2013 began, the DFM reduced the FY 2013 General Fund forecast to \$2.658 billion (Division of Financial Management 2013b, 27). This figure was \$13 million below the summer revision and \$42 million less than the January 2012 number. The DFM now expected only a 2.7% increase over FY 2012 collections, less than half the 5.8% increase it envisioned a year earlier. It submitted an initial forecast of General Fund revenues for FY 2014 of \$2.799 billion (Division of Financial Management 2013b, 27). Idaho was to receive an increase of \$141 million (5.3%) over FY 2013. Individual income and sales taxes collections represented 88% of the total. The re-

Table 4. Idaho General Fund Revenue Totals and Major Components, FY 2008-FY 2014 (\$ in billions)

Fiscal Year	Total		Individual Income		Corporate Income		Sales	
	\$	%	\$	%	\$	%	\$	%
2008 Actual	2.908	3.4	1.430	2.1	.189	(0.5)	1.141	5.9
2009 Actual	2.466	(15.2)	1.168	(18.3)	.141	(25.5)	1.022	(10.4)
2010 Actual	2.265	(8.2)	1.062	(9.1)	.097	(31.2)	.956	(6.5)
2011 Actual	2.444	7.9	1.153	8.5	.169	74.1	.972	1.7
2012 Actual	2.588	5.9	1.206	4.7	.187	10.7	1.027	5.7
2013 Forecast*	2.658	2.7	1.243	3.1	.184	(1.7)	1.083	5.4
2014 Forecast*	2.799	5.3	1.313	5.6	.194	5.6	1.152	6.4

* indicates the forecasts were reported in January of 2013.

Source: State of Idaho, Office of the Governor, Division of Financial Management, *General Fund Revenue Book [for the] FY 2014 Executive Budget*, January 2013, 27.

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

maining monies came from taxes on corporate income, selected products noted above, and miscellaneous sources.

As suggested in Table 4, if the actual FY 2013 collections came in at the forecast level, Idaho's General Fund revenues would be \$250 million or 8.6% below the FY 2008 figure, which the state received just before its problems began. The FY 2014 forecast was \$109 million or 3.7% less than the FY 2008 figure. On a brighter note, compared to actual collections for FY 2010, the low point fiscal year, the FY 2013 figure was \$393 million, or 17% more, and the FY 2014 number was \$534 million, which was almost 24% better.

The Governor's Budget for FY 2014

For FY 2014, Governor Otter recommended an All Funds budget of \$6.483 billion (Budget and Policy Analysis 2013a, 13). It had three revenue sources: the General Fund, dedicated funds, and federal monies. General Fund spending represented about 43% (\$2.786 billion); dedicated fund expenses, 20% (\$1.309 billion); and federal-funded expenditures, 37% (\$2.387 billion). The budget recommended \$2.431 billion for trustee/benefit payments, \$1.5998 billion for lump sums, \$1.304 billion for personnel, \$795 million for operations, and \$353 million for capital outlay costs. Ongoing expenditures made up 97.5% with the remaining 2.6% to support one-time expenses.

The governor's statewide total figures were approximately \$22 million below the aggregate amounts in the requests (Budget and Policy Analysis 2013a, 22–23). As noted in Table 5 on page 18, his General Fund and All Funds figures were 0.8% and 0.3% less, respectively. His recommendations for five of the six functional totals were below the requested amounts. Percentage-wise, his cuts were smallest for health and human services (0.7% for the General Fund and 0.1% for All Funds) and largest for public safety (7.8% for the General Fund and 5.9% for All Funds).

Table 5. Executive Budget Recommendations for FY 2014

	General Fund			All Funds		
	\$	% Change from		\$	% Change from	
		FY14 Request	FY13 Approp		FY14 Request	FY13 Approp
STATEWIDE TOTAL	2,786.1	(0.8)	3.1	6,482.8	(0.3)	3.3
EDUCATION	1,687.1	0.6	2.5	2,273.5	0.6	2.3
Public School Support	1,305.5	4.2	2.0	1,595.3	3.4	1.8
Agric. Research/Extension Service	24.4	(1.0)	3.5	24.5	(1.0)	3.5
Universities and College	239.2	(11.0)	5.0	468.6	(5.9)	5.0
Community Colleges	30.2	(22.9)	8.9	30.8	(22.5)	8.7
State Board of Education	2.4	4.7	11.6	5.4	2.0	18.9
Health Education Programs	10.5	(3.8)	3.6	11.4	(3.5)	4.7
Professional-Technical Education	48.96	(3.4)	1.5	58.7	(2.9)	1.2
Public Educational Television	1.6	(42.5)	2.6	7.7	96.1	203.1
Special Programs	8.8	(7.3)	1.1	10.5	(6.2)	5.0
Supt. Of Public Instruction	8.3	(3.6)	0.3	35.6	(0.5)	(23.5)
Vocational Rehabilitation	7.1	(5.6)	(4.9)	24.95	(1.9)	(1.3)
HEALTH & HUMAN SERVICES	668.4	(0.7)	2.0	2,578.5	(0.1)	6.9
Medically Indigent Health Care	42.6	0.0	16.6	42.6	0.0	16.6
Health/Welfare, non-Medicaid	140.7	(0.9)	3.5	471.2	(0.5)	3.6
Health/Welfare, Medicaid	476.7	(0.6)	0.5	2,055.7	(0.01)	7.6
Independent Living Council	.1	(0.2)	0.3	.7	(0.3)	(28.6)
Public Health Districts	8.2	(0.7)	1.2	8.2	(0.7)	(3.5)
PUBLIC SAFETY	271.8	(7.8)	7.2	368.7	(5.9)	3.7
Adult Correction	179.96	(9.2)	6.6	201.1	(8.1)	5.1
Judicial Branch	31.8	(0.7)	4.9	51.8	(0.1)	4.5
Juvenile Corrections	37.5	(2.8)	2.0	49.1	(2.2)	2.0
Idaho State Police	22.5	(13.5)	27.8	66.8	(6.0)	0.2
NATURAL RESOURCES	32.7	(4.1)	5.7	259.3	(1.1)	0.5
Environmental Quality	14.8	(0.8)	4.0	66.5	(0.4)	7.3
Fish and Game	na	na	na	89.4	(0.4)	(4.0)
Lands	5.3	5.3	24.5	46.8	0.1	0.1
Parks and Recreation	1.3	(52.1)	1.9	35.4	(6.0)	(0.6)
Water Resources	11.2	(0.8)	1.2	21.3	(0.6)	3.0
ECONOMIC DEVELOPMENT	24.7	(4.2)	(0.1)	690.0	(0.2)	(5.9)
Agriculture	9.9	(3.5)	0.7	38.5	(1.1)	(1.8)
Commerce	5.8	(1.6)	0.6	34.2	9.2	(14.5)
Finance	na	na	na	6.7	(3.5)	4.3
Industrial Commission	na	na	na	15.3	(0.5)	1.3
Insurance	na	na	na	8.5	(0.5)	4.7
Labor	.3	(0.7)	(30.6)	17.3	(0.1)	201.8
Public Utilities Commission	na	na	na	5.5	(0.5)	4.5
Self-Governing Agencies	8.7	(6.8)	0.0	72.2	(4.3)	(11.5)
Transportation	na	na	na	491.8	(0.02)	(7.6)
GENERAL GOVERNMENT	101.5	(3.0)	9.9	312.8	(2.1)	3.3
Administration	11.9	(1.1)	33.7	58.2	(0.3)	3.4

Building Fund Advisory Council	na	na	na	24.1	0.0	6.6
Attorney General	16.8	(6.8)	1.6	19.0	(3.4)	1.7
State Controller	7.3	(1.2)	17.0	14.5	(0.9)	8.4
Office of the Governor	15.98	(3.5)	(2.0)	129.94	(0.5)	0.9
Legislative Branch	11.3	(0.4)	4.3	12.8	(0.4)	3.9
Lieutenant Governor	.1	(0.5)	3.4	.1	(0.5)	3.4
Revenue and Taxation	34.7	(2.8)	16.7	42.2	(2.6)	16.2
Secretary of State	2.0	(4.7)	(12.1)	2.0	(4.7)	(12.1)
Treasurer	1.3	(0.4)	1.1	9.7	(28.5)	149.7

Source: State of Idaho, Legislative Services Office, Budget and Policy Analysis, *Idaho Legislative Budget Book for FY 2014*, 19–23; *Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013*, 34–35.

Notes: Amounts are in the millions. No General Fund monies for budgets marked “na.” Decreases are in parentheses.

At the individual spending level (i.e., the figures for the specific departments and major programs listed in Table 5), the governor recommended lowering the General Fund amounts for 31 (94.3%) of the 35 budgets supported with General Fund monies and reducing the All Funds numbers for 35 (83.3%) of the 42 budgets. Our calculations exclude legislative and judicial branch spending. Idaho statute prescribed that the governor report the amounts requested by the legislature and judiciary as prepared by them and submitted to his budget office (Budget and Policy Analysis 2013a, 6–115).

As shown in Table 5, the percentage reductions for the five functional areas were larger for General Fund spending than for All Funds expenditures. The differences in the percentages ranged from 0.6 of a point for health and human services to four points for economic development. The budget recommended larger percentage reductions in the General Fund portions of 22 of the 35 of the General Fund budgets (62.9%). Because he wanted to identify a “new normal” for Idaho budgeting, the governor’s larger reductions for General Fund requests were probably not surprising (Kinney 2013).

The Governor’s Support for Requests

We examined Gov. Otter’s “support for requests” using variables in the state budgeting literature (e.g., Sharkansky 1968). We defined his support as his recommended amount for a specific budget as a percentage of the amount requested and looked to see whether his support was related to the dollar magnitude of the request (“size”) and the percentage increase sought in the request relative to the prior year original appropriation (hereinafter referred to as “acquisitiveness”). In analyzing General Fund support, we omitted all budgets that received no General Fund money. When we considered the relationships involving support for All Funds spending, we included those budgets. We also excluded spending by the legislative and judicial branches as noted above.

As shown in Table 6, the governor provided less support to the more acquisitive requests. This was no surprise given the governor’s desire to set new expectations for state General Fund budgets. The dollar magnitudes in the requests were not related significantly with his support. Regarding All Funds requests, his support was not related significantly with the requests’ size and acquisitiveness. The governor’s support for General Fund and All Funds requests was related negatively but not significantly.

Table 6. Correlations for the Governor’s Support for Request, FY 2014

Governor’s Support with:	General Fund			All Funds		
	n	r	signif	n	r	signif.
Budget Request Size	35	.15	.378	42	-.00	.988
Acquisitiveness	35	-.88	.000*	42	-.10	.543
Support for General Fund requests with Support for All Funds requests				35	-.40	.016

Note: *Significant at the 0.01 level (2 tailed).

The Governor’s Support for Growth

As noted in Table 5 on page 18, Gov. Otter recommended statewide spending increases above the FY 2013 appropriation levels of 3.1% in the General Fund and 3.3% for All Funds. The direction and percentage amounts of change differed for the functional totals, individual departments, and major programs.

Regarding functional areas, the governor endorsed General Fund increases for five functional totals, ranging from 2% for health and human services to 9.9% for general government, and a suggested 0.1% decrease for economic development. He seemed more generous to general government, public safety, and natural resources than to education and health and human services. Because the latter two functions combine to consume over 80% of the General Fund budget, if he endorsed greater growth in education and health and human services, he would likely have had to restrain the increases for other functions and/or reduce the amounts to be deposited into the rainy day funds, one of Otter’s top priorities (Office of the Governor 2013).

The governor’s budget endorsed increasing the All Funds amounts of five functional totals. Once again economic development was the exception. The percentage increases were as low as 0.5% for natural resources and as high as 6.9% for health and human services. Otter appeared more generous in increasing health and human services’ All Funds spending than its General Fund amount, possibly due in part to the use of non-General Fund monies in the All Funds budgets for health and human services agencies. The governor supported a 7.6% All Funds increase and only a 0.5% General Fund increase for Medicaid. For the current fiscal year, federal funds comprised 65% of the Medicaid budget (Budget and Policy Analysis 2013a, 2-33).

As for General Fund spending by the 35 individual departments and major programs, the governor supported increases for 30 (85.7%) and held steady the expenditures of self-governing agencies. The percentage increases ranged from 0.3% for the superintendent of public instruction and independent living council to 33.7% for administration. While these increases were below 5% for 20 of the individual budgets (62.9%), they were over 10% for seven others (20%). Otter did call for decreased spending for vocational rehabilitation, labor, and the offices of the governor and secretary of state. The percentage reductions ranged from 2% for the office of the governor to 30.6% for the labor department.

The governor’s budget recommended All Funds spending growth over FY2013 in 31 of the 42 individual budgets (73.8%). The growth rates ranged from 0.1% for lands to over 200% for public education television and labor. The increases were under 5% for 19 budgets, between 5–

Table 7. Correlations for the Governor’s Support for Growth, FY 2014

Governor’s Support with:	General Fund			All Funds		
	n	r	signif	n	r	signif.
Budget Request Size	35	-.04	.840	42	-.08	.611
Acquisitiveness	35	.43	.010	42	.83	.000*
Support for requests	35	.03	.863	42	-.46	.002*
Support for General Fund growth with Support for All Funds growth				35	.46	.006*

*Significant at the 0.01 level (2 tailed).

10% for 8 budgets, and over 10% for 6 budgets. The governor called for cutting back the spending for 11 budgets (two each in education, health and human services, and natural resources, four in economic development, and one in general government). The percentage decreases were as low as 0.6% for parks and recreation and as high as 28.6% for the independent living council.

We examined the governor’s “support for growth” or increases relative to the previous year’s original appropriation using another indicator in the state budgeting literature (e.g., Sharkansky 1968). This measure was Otter’s proposed amount for FY 2014 as a percentage of the appropriated figure for FY 2013. We again excluded the non-General Fund budgets and spending for the legislative and judicial branches in our analysis of General Fund spending. We included the non-General Fund budgets when we considered growth in All Funds budgets.

As shown in Table 7, Otter’s budget tended to support greater All Funds growth for the more acquisitive requests and less growth for the requests that he himself supported more. His support was not related with the dollar amounts that were requested. His General Fund support was not significantly related with size, acquisitiveness, and his support for requests. Finally, requests that received endorsements for larger growth in General Fund spending tended also to receive support for larger growth in All Funds spending.

Legislative Appropriations for FY 2014

As the 2013 legislative session began, the Joint Economic Outlook and Revenue Assessment Committee with its 14 Republicans and 4 Democrats, reviewed economic and revenue data for Idaho (JLEORAC 2013). It considered testimony presented by economics experts from the DFM, tax commission, universities, and taxpayers association. The JEORAC’s median revenue projections were \$0.3 million less than Otter’s forecast for FY 2013 and \$58.1 million under his amount for FY 2014. The joint committee reported to the leaders of the legislature and influential Joint Senate Finance-House Appropriations Committee (JFAC) that the governor’s figures for FY 2013 and FY 2014 were “reasonable” for making appropriation decisions.

The legislature appropriated an All Funds total of \$6.455 billion for FY 2014 (Budget and Policy Analysis 2013b, 26). It provided \$2.781 billion from the General Fund, \$1.321 billion in dedicated funds, and \$2.353 billion from federal funds. Of the total, General Fund spending represented 43.1%; dedicated fund expenditures, 20.4%; and federally supported spending, 36.5%. These portions were almost identical to those for FY 2013 appropriations (Budget and Policy

Table 8. Legislative Appropriations for FY 2014

	GENERAL FUND				ALL FUNDS			
	\$ ^a	% Change from			\$ ^a	% Change from		
FY14 Request		FY 14 Budget	FY13 Approp	FY14 Request		FY 14 Budget	FY13 Approp	
STATEWIDE TOTAL	2,781.00	(1.0)	(0.2)	2.9	6,455.3	(0.9)	(0.4)	2.8
EDUCATION	1,687.9	0.7	0.0	2.6	2,272.5	0.6	0.2	2.2
Public School Support	1,308.4	4.4	0.2	2.2	1,598.2	3.6	0.0	2.0
Agric. Research /Extension Service	24.4	(1.0)	0.0	3.5	24.5	(1.0)	(0.6)	3.5
Universities and College	236.5	(11.4)	(1.1)	3.8	465.9	(6.3)	0.1	4.4
Community Colleges	30.2	(22.9)	0.03	8.9	30.8	(22.5)	0.9	8.8
State Board of Education	2.4	4.7	0.004	11.6	5.4	3.0	0.7	20.0
Health Education Programs	10.6	(3.1)	0.7	4.3	11.5	(2.8)	(0.000)	5.4
Professional-Technical Education	48.96	(3.5)	(0.000)	1.4	58.7	(2.9)	2.6	1.1
Public Educational Television	1.8	(35.4)	12.2	15.1	7.9	101.2	1.5	210.9
Special Programs	8.97	(5.7)	1.8	2.9	10.7	(4.8)	0.3	6.6
Supt. Of Public Instruction	8.3	(3.6)	(0.000)	0.2	35.7	(0.2)	(7.3)	(23.1)
Vocational Rehabilitation	7.3	(3.4)	2.4	2.4	23.1	(9.1)	0.2	(8.5)
HEALTH & HUMAN SERVICES	660.0	(1.9)	(1.3)	0.8	2,539.6	(1.6)	(1.5)	5.3
Medically Indigent Health Care	34.8	(18.2)	(18.2)	(4.7)	34.8	(18.2)	(18.2)	(4.7)
Health/Welfare, non-Medicaid	139.4	(1.9)	(1.0)	2.5	471.1	(0.6)	(0.000)	3.6
Health/Welfare, Medicaid	477.5	(0.5)	0.2	0.7	2,024.2	(1.5)	(1.5)	5.9
Independent Living Council	.1	(0.1)	0.0	0.3	.7	(0.5)	(0.1)	(26.8)
Public Health Districts	8.2	(0.8)	(0.1)	1.2	8.7	5.2	0.6	2.3
PUBLIC SAFETY	272.1	(7.7)	0.1	7.4	371.8	(5.2)	0.8	4.5
Adult Correction	180.8	(8.7)	0.5	7.1	203.9	(6.9)	1.4	6.6
Judicial Branch	31.3	(2.3)	(1.6)	3.3	51.8	(0.1)	0.1	4.5
Juvenile Corrections	37.5	(2.9)	(0.03)	2.0	48.9	(2.5)	(0.3)	1.7
Idaho State Police	22.5	(13.6)	(0.1)	27.7	67.1	(5.5)	0.5	0.6
NATURAL RESOURCES	32.5	(4.7)	(0.6)	5.1	259.2	(1.2)	(0.000)	0.4
Environmental Quality	14.8	(0.8)	(0.1)	3.9	66.4	(0.4)	(0.000)	7.2
Fish and Game	na	Na	na	na	89.0	(0.8)	(0.4)	(4.3)
Lands	5.2	2.8	(2.4)	21.5	46.8	0.2	0.1	0.2
Parks and Recreation	1.3	(52.6)	(1.2)	0.7	35.6	(5.5)	0.6	(0.01)

Water Resources	11.2	(1.2)	(0.3)	0.8	21.3	(0.6)	(0.000)	(3.0)
ECONOMIC DEVELOPMENT	24.7	(4.1)	0.1	(0.001)	687.7	(0.5)	(0.3)	(6.2)
Agriculture	9.9	(3.1)	0.4	1.1	38.5	(1.0)	0.1	(1.7)
Commerce	5.8	(1.6)	(0.000)	0.6	34.2	9.2	(0.000)	(14.5)
Finance	na	Na	na	na	6.8	(1.5)	2.1	6.5
Industrial Commission	na	Na	na	na	15.3	(0.6)	(0.1)	1.3
Insurance	na	Na	na	na	8.5	(0.5)	(0.000)	4.7
Labor	.3	(0.8)	(0.000)	(30.7)	17.3	(0.1)	(0.000)	201.8
Public Utilities Commission	na	Na	na	na	5.5	(0.7)	(0.2)	4.3
Self-Governing Agencies	8.7	(6.9)	(0.1)	(0.1)	69.9	(7.3)	(3.2)	(14.3)
Transportation	na	Na	na	na	491.7	(0.14)	(0.000)	(7.6)
GENERAL GOVERNMENT	103.8	(0.8)	2.3	12.4	324.5	1.6	3.8	10.1
Administration	11.9	(1.1)	(0.0)	33.7	60.0	3.0	3.1	6.9
Building Fund Advisory Council	na	Na	na	na	36.6	51.8	51.8	62.9
Attorney General	19.4	7.8	15.7	17.6	20.9	5.9	9.6	11.5
State Controller	7.3	(1.2)	(0.0)	17.0	14.5	(0.9)	(0.000)	8.4
Office of the Governor	15.97	(3.6)	(0.1)	(2.1)	130.5	(0.05)	0.5	1.3
Legislative Branch	11.3	(1.0)	(0.6)	3.6	13.6	6.0	6.5	10.6
Lieutenant Governor	.1	(0.5)	(0.1)	3.4	.1	(0.5)	(0.1)	3.4
Revenue and Taxation	34.5	(3.3)	(0.6)	16.1	42.0	(3.1)	(0.5)	15.6
Secretary of State	1.99	(6.5)	(1.9)	(13.7)	1.99	(6.5)	(1.9)	(13.7)
Treasurer	1.4	(0.4)	(0.0)	1.0	4.0	(70.4)	(58.6)	3.3

Sources: State of Idaho, Legislative Services Office, Budget and Policy Analysis, *Idaho 2012 Legislative Fiscal Report for Fiscal Year 2013*, 34–35; *Idaho 2013 Legislative Fiscal Report for Fiscal Year 2014*, 25, 34–35; *Idaho Legislative Budget Book for FY 2014*, 19-23.

Notes: Amounts are in millions. No General Fund monies for budgets marked “na.” Decreases are in parentheses.

Analysis 2012a, 26); 20% went to personnel; 12.3% to operating expenses; 5.7% to capital outlay; 37.1% to trustee and benefit payments; and 24.8% to lump sums. Relative to the FY 2013 appropriation, Idaho lawmakers allocated slightly more to personnel, operating expenses, and trustee-benefit payments and less to capital outlay and lump sums. Some 96.5% of the total amount funded ongoing expenditures, slightly lower than the 97.1% set aside last year. The remaining 3.4% was for one-time expenses in the new fiscal year.

Legislative Support for Requests and the Governor’s Recommendations

Compared to the total All Funds amount requested for FY 2014, the legislature appropriated \$50.2 million less overall. It approved \$27.5 million less in General Fund spending, \$36.8 million less in federally funded expenditures, and \$14.1 million more in dedicated monies (Budget and Policy Analysis 2013b, 26; Budget and Policy Analysis 2012a, 12). As noted in Table 8 the legislature reduced the General Fund amounts requested for five functional totals, ranging from

0.8% for general government to 7.7% for public safety. It decreased the All Funds figures for four functional totals, with a low of 0.5% for economic development and a high of 5.2% for public safety. The legislature increased the amounts for education (0.7% in the General Fund and 0.6% for All Funds) and the All Funds figure for general government by 1.6%.

Regarding spending for individual departments and major programs, the legislature's General Fund figures exceeded the amounts requested for public school support, the state board of education, lands, and the attorney general. The amounts were lower than requested for the remaining 33 budgets (89.2%). The reductions were 5% for 23 budgets, 5–10% for four budgets, and greater than 10% for six budgets. Our calculations included spending by the legislative and judicial branches, which were omitted for analysis of the governor's decisions.

The legislature's All Funds figures were larger than the requests for 10 of the 44 departments and major programs. They included public school support, the state board of education, public television, public health districts, lands, commerce, administration, building fund advisory council, attorney general, and legislature. They were lower for the other 34 departments and programs (77.3%) and under 5% for 24, 5–10% for 7, and over 10% for 3.

As reported in Table 9, the legislature's support for requests was not related with the dollar magnitude of the requests. It was related negatively with acquisitiveness; the legislature was more likely to cut the General Fund requests that sought larger increases.

According to Table 9, the legislature's support for requests was related strongly and significantly with the governor's support. Compared to the total figure recommended in the governor's budget, the legislature's total appropriation amount was \$27.5 million, or 0.4%, less (Budget and Policy Analysis 2013a, 13; Budget and Policy Analysis 2013b, 26). Idaho lawmakers approved \$5.1 million less (or 0.2%) in General Fund spending and \$34.3 million less (1.4%) in federally funded expenditures. They did approve \$11.9 million more (0.9%) in dedicated fund spending.

As shown in Table 8 on page 19, the legislature's General Fund figures were higher for four functional totals (general government, public safety, economic development, and education). Regarding the General Fund spending for the 35 departments and major programs, the legislature appropriated higher amounts than the governor's budget proposed in 11 (31.4%), lower amounts for 22 (62.9%), and essentially the same amounts for the agricultural research and extension service and independent living council. (Because we were comparing the governor's and the legislators' figures, we again omitted judicial and legislative spending from our calculations.) The figures of the legislature and the governor were within $\pm 1\%$ for 25 of the 35 departments and programs (71.4%).

Where the differences were 1% or more, the legislature's amounts exceeded the governor's figures by over 10% for the attorney general and Idaho public television and less than 3% for vocational rehabilitation and education's special programs. Its numbers were below the governor's recommended figures by 18% for medically indigent health care and under 10% for lands, the secretary of state, the judicial branch, parks and recreation, universities, and the non-Medicaid expenditures of health and welfare.

The legislature's All Funds figures exceeded the governor's amount for education, public safety, and general government and were lower for health and human services, natural resources, and economic development. Regarding spending for the 42 departments and major programs, they were greater than the governor's amounts for 18 (42.9%), lower for 23 (54.8%), and the same for public school support. The amounts of the legislature and the governor were within $\pm 1\%$ for 29 budgets (69%). For the other 13 budgets the differences were equal to or greater than 1%. The legislature's numbers were higher by over 50% for the building fund advisory council

Table 9. Correlations for the Legislature’s Support for Requests in FY 2014

Legislature’s Support for Requests with:	General Fund			All Funds		
	n	r	signif.	n	r	signif.
Size	37	.14	.394	44	-.07	.920
Acquisitiveness	37	-.87	.000*	44	-.30	.046
Gubernatorial Support for Requests	35	.93	.000*	42	.87	.000*

*Significant at the 0.01 level (2 tailed).

and 1–10% for the attorney general, legislative branch, administration, public television, finance, education’s special programs, and adult correction. They were lower by almost 60% for the state treasurer, 18% for medically indigent health care, and between 1–10% for vocational rehabilitation, self-governing agencies, the secretary of state, and Medicaid.

Legislative Support for Growth

Relative to the appropriated amounts for FY 2013, the legislature approved an overall increase of \$177.8 million or 2.8% (Budget and Policy Analysis 2013b, 26; Budget and Policy Analysis 2012a, 26). It increased spending in the General Fund by \$78.9 million (2.9%), dedicated funds by \$41.6 million (3.2%), and federal funds by \$57.3 million (2.5%). As noted in Table 8 above, it approved General Fund increases for five functional totals ranging from a low of 0.8% for health and human services to a high of 12.4% for general government. It cut back, very marginally, the funds for economic development. For the individual departments and major programs in the table, the legislature approved increases for 32 (83.8%). The increases were below 5% for 22, 5–10% for two, and greater than 10% for eight. The legislature decreased the General Fund spending by under 5% for four budgets and by almost 14% for the secretary of state.

In terms of All Funds expenditures, the legislature provided increases for five functional totals. General government received the largest increase (10.1%) and natural resources the smallest (0.4%). Economic development encountered the only decrease (6.2%). Regarding individual departments and major programs, the legislature increased spending in 32 budgets (72.7%). The increases were less than 5% for 16, 5–10% for nine, and greater than 10% for 7. The legislature decreased spending in 12 budgets (27.3%): less than 5% for five, 5–10% for two, and greater than 10% for five.

As shown in Table 10, the legislature’s support for growth was not related with the dollar amount in the requests, but tended to support greater increases for requests that were more acquisitive in asking for larger increases. It also granted greater increases in spending for requests that the governor budget recommended increasing. Finally, its supports for All Funds requests and growth were related significantly. Lawmakers tended to grant greater portions of those requests that they also increased more.

Table 10. Correlations for the Legislature’s Support for Growth in FY 2014

Legislature’s Support for Growth With:	General Fund			All Funds		
	n	r	signif.	n	r	signif.
Size	37	-.04	.797	44	-.07	.641
Acquisitiveness	37	.48	.003*	44	.53	.000*
Gubernatorial Support for Growth	35	.89	.000*	42	.87	.000*
Legislature’s Support for Requests	37	-.01	.943	44	.60	.000*

*Significant at the 0.01 level (2 tailed).

Table 11. Spending Shares for FY 2013 and FY 2014 (shares in percentages)

	GENERAL FUND					ALL FUNDS				
	FY13 Approp	FY14 Budget	FY14 Approp	Change from FY14 Budget		FY13 Approp	FY14 Budget	FY14 Approp	Change from FY14 Budget	
FUNCTIONAL TOTALS										
Education	60.9	60.6	60.7	0.1	(0.2)	35.4	35.1	35.2	0.1	(0.2)
H&H Services	24.2	24.0	23.7	(0.3)	(0.5)	38.4	39.8	39.3	(0.5)	0.9
Public Safety	9.4	9.8	9.8	0.0	0.4	5.7	5.7	5.8	0.1	0.1
Nat. Resources	1.1	1.2	1.2	0.0	0.1	4.1	4.0	4.0	0.0	(0.1)
Econ. Devel.	0.9	0.9	0.9	0.0	0.0	11.7	10.6	10.7	0.1	(1.0)
Gen. Govt.	3.4	3.6	3.7	0.1	0.3	4.7	4.8	5.0	0.2	0.3
MAJOR INDIVIDUAL EXPENDITURES										
Public Schools	47.4	46.9	47.0	0.1	(0.4)	25.0	24.6	24.8	(0.2)	(0.2)
Universities	8.4	8.6	8.5	(0.1)	0.1	7.1	7.2	7.2	0.0	0.1
HW(non-Med)	5.0	5.1	5.0	(0.1)	0.0	7.2	7.3	7.3	0.0	0.1
HW (Medicaid)	17.5	17.1	17.2	0.1	(0.3)	30.4	31.7	31.4	(0.3)	1.0
Adult Correct.	6.2	6.5	6.5	0.0	0.3	3.0	3.1	3.2	0.1	0.2
Juv. Correct.	1.4	1.3	1.3	0.0	(0.1)	0.8	0.8	0.8	0.0	0.0
Transportation	na	na	na	Na	na	8.5	7.6	7.6	0.0	(0.9)

Sources: The percentages were calculated using figures from State of Idaho, Legislative Services Office, Budget and Policy Analysis, *Idaho Legislative Budget Book for FY 2014*, 22, 23 and its *Legislative Fiscal Report for FY 2014*, 34 and 35.

Notes: Decreases in shares are noted in parentheses. The net total differences for the functional areas may not equal zero due to rounding off.

Potential Impacts of the FY 2014 Budget and Appropriation Decisions

On Spending Shares

The first potential impact of these decisions for FY 2014 regarded their effect on “spending shares.” These shares were similar to the notion of “fair share” found in the budgeting literature

Table 12. Correlations for the Legislature’s FY 2014 Appropriations Shares

Legislature’s FY 2014 Shares	General Fund			All Funds		
	n	r	signif.	n	r	signif.
Legislature’s FY 2013 Shares	37	1.000	.000*	44	.999	.000*
FY 2014 Budget Shares	35	1.000	.000*	42	1.000	.000*

*Significant at the 0.01 level (2 tailed).

(Wildavsky and Caiden 1997, 46). They were the portions of the statewide total amounts recommended by the governor or appropriated by the legislature for specific functions, departments, and programs. They may indicate the relative importance of the budgets for these functions, departments, and programs. Changes in them may suggest an increase or decrease in importance.

As noted in Table 11, the education and health and human services totals combined to receive 84.4% of the total General Fund appropriation and 74.5% of the All Funds figure. Public safety had the next largest General Fund share (9.8%), and economic development received the next largest All Funds portion (10.7%). Natural resources, economic development, and general government received smaller General Fund shares. Public safety, natural resources, and general government had smaller All Funds portions.

Regarding the major individual expenditures in the table, the legislature allocated the largest General Fund shares to public school support (47.0%) and Medicaid (17.2%). It granted more modest portions to the universities and state college (hereinafter simply called the universities), health and welfare’s non-Medicaid expenditures, and corrections agencies. Medicaid received the largest All Funds share (31.4%), and the public schools were second (24.8%). The shares for universities, health and welfare non-Medicaid expenditures, adult and juvenile corrections, and transportation are noticeably smaller.

Relative to the portions resulting from the FY 2013 appropriation decisions, the legislature’s FY 2014 General Fund shares were larger for public safety, general government, and natural resources. They were smaller for education and health and human services and the same for economic development. These differences were 0.5 of a point or less. The legislature’s portions of the FY 2014 All Funds total amount were higher for health and human services, general government, and public safety. They were smaller for economic development, education, and natural resources. The differences in the shares were 0.3 of a point or less except for a 0.9 point increase for health and human services and 1.0 point decrease for economic development.

The legislature’s FY 2014 General Fund shares were slightly larger for adult corrections and universities, the same for the non-Medicaid expenditures in health and welfare, and smaller for public schools, Medicaid, and juvenile corrections. The size of the gaps ranged from a low of \pm 0.1 to a high of -0.4 of a point. The legislature’s All Funds portions for FY 2014 were larger for Medicaid, adult corrections, the universities, and health and welfare’s non-Medicaid expenditures and the same for juvenile corrections. They were smaller for transportation and public schools. While most of these differences did not exceed 0.2 of a point, Medicaid’s share increased by a full point and transportation’s portion decreased by 0.9 of a point.

As noted in Table 12, the legislature’s FY 2014 shares for all departments and programs were related very strongly and significantly with the portions proposed in the governor’s budget and

Table 13. General Fund Appropriations FY 2011- FY2014 as Percentage Differences Relative to FY 2009 Original Appropriations

	FY 2011	FY 2012	FY2013	FY2014
STATEWIDE TOTAL	(19.4)	(14.5)	(8.7)	(6.0)
EDUCATION	(16.9)	(16.9)	(12.4)	9.0
Public Schools ^a	(14.9)	(14.3)	(10.3)	(8.3)
Agric. Research & Extension	(20.1)	(20.1)	(16.4)	(13.5)
Universities	(23.7)	(26.4)	(20.1)	(17.0)
Community Colleges	(19.2)	(22.4)	(6.5)	1.9
State Board of Education	(60.5)	(58.9)	(57.9)	(53.0)
Health Education Programs	5.3	5.7	7.0	11.6
Professional-Technical Education	(13.3)	(15.3)	(12.1)	(10.8)
Public Educational Television	(60.6)	(61.0)	(55.0)	(48.3)
Special Programs	(28.9)	(29.4)	(28.7)	(26.6)
Supt. Of Public Instruction	(10.3)	(0.9)	13.2	13.4
Vocational Rehabilitation	(15.5)	(20.3)	(11.9)	(14.3)
HLTH & HUMAN SVCS	(25.2)	(4.3)	5.8	6.6
Medically Indigent Health Care	(12.0)	(7.2)	75.9	67.7
Health/Welfare, non-Medicaid	(25.3)	(30.4)	(26.4)	(24.6)
Health/Welfare, Medicaid	(25.9)	8.4	17.8	18.6
Independent Living Council	(21.0)	(24.9)	(24.3)	(24.1)
Public Health Districts	(23.0)	(27.4)	(24.7)	(23.8)
PUBLIC SAFETY	(18.5)	(12.9)	(6.9)	(0.1)
Adult Correction	(16.0)	(10.5)	(4.1)	2.8
Judicial Branch	(13.2)	(8.2)	(4.8)	(1.7)
Juvenile Corrections	(17.9)	(10.7)	(8.3)	(6.4)
Idaho State Police	(44.3)	(39.3)	(28.2)	(8.3)
NATURAL RESOURCES	(45.3)	(46.9)	(44.6)	(41.8)
Environmental Quality	(27.2)	(29.7)	(27.3)	(24.4)
Lands	(26.6)	(29.9)	(23.8)	(7.4)
Parks and Recreation	(91.3)	(91.9)	(91.8)	(91.7)
Water Resources	(26.1)	(27.2)	(23.9)	(23.3)
ECONOMIC DEVELOPMENT	(29.1)	(31.2)	(21.1)	(21.1)
Agriculture	(47.5)	(48.8)	(42.4)	(41.8)
Commerce	(55.0)	(57.3)	(37.5)	(37.1)
Labor	(9.3)	(26.2)	(43.7)	(61.0)
Self-Governing Agencies	96.6	94.5	103.7	103.4
GENERAL GOVERNMENT	(17.3)	(14.9)	(9.5)	1.8
Administration	(20.8)	(25.8)	1.5	35.7
Attorney General	(17.9)	(18.8)	(14.1)	1.0
Controller	(16.6)	(18.3)	(13.3)	1.4
Office of the Governor	(25.2)	(22.4)	(19.6)	(21.3)
Legislative Branch	(17.3)	(17.1)	(15.4)	(12.3)

Lieutenant Governor	(16.7)	(17.4)	(12.2)	(9.2)
Revenue and Taxation	(9.0)	0.1	2.4	18.9
Secretary of State	(33.4)	(34.1)	(17.3)	(28.7)
Treasurer	(19.4)	(23.4)	(21.6)	(20.7)

^aThe FY 2009 original appropriations for public schools and School for Deaf and Blind students were separated. For subsequent years, they were combined. To have consistent figures, the total amount for public schools that contained the figure for the education of deaf and blind people was used.

Sources: State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis, *Legislative Fiscal Report* for fiscal years 2009, 2011, 2012, 2013, and 2014.

Notes: Negative percentage differences are in parentheses.

the legislature’s own shares for FY 2013. These findings suggested that no major changes in the relative spending shares were made.

On Making Progress

For the second potential impact, we assessed whether Idaho General Fund budgets were making progress in returning to their levels before the state’s economic and revenue woes. We computed the percentage differences between General Fund appropriations for each of the last four fiscal years, on one hand, and their General Fund appropriations for FY 2009 on the other. The legislature approved the FY 2009 appropriations just before the state’s revenue problems and cutbacks started.

As indicated in Table 13, progress varied. The statewide General Fund totals have been gradually closing in on the FY 2009 amount. The gap after the FY 2014 appropriation (-6%) was narrower than the one for FY 2013 (-8.7%) and much narrower than the gap for FY 2011 (-19.4%). The FY 2014 amounts for education, health and human services, and general government exceeded their corresponding figures for FY 2009, and the amount for public safety was almost the same. The figures for natural resources and economic development were below their earlier appropriation levels by 41.8% and 21.1%, respectively.

For 37 General Fund departments and major programs, the FY 2014 spending appropriation for 11 (29.7%) exceeded their figures for FY 2009. The increases for health education programs, the superintendent of public instruction, medically indigent health care, Medicaid, administration and revenue and taxation were greater than 10%.

The amount for self-governing agencies was above 10%. However, it benefited when the state libraries commission and historical society were moved to the self-governing agencies department from education in 2009 (Budget and Policy Analysis 2009, 5-49, 5-50). If those two budgets were still under education, the FY 2014 appropriation for self-governing agencies could conceivably be \$5.5 million less and 26.2% shy of its amount for FY 2009.

Spending on community colleges, adult corrections, and offices of the attorney general and state controller was making progress at more modest levels. The FY 2014 amounts for the remaining 26 departments and programs (70.3%) were still below their appropriations for FY 2009. The gaps were over 10% for 20: seven in education, four in general government, and three each in health and human services, natural resources, and economic development.

Relative to their 2013/2009 gaps, the differences for 2014/2009 were an improvement for 31 departments and programs (83.8%). For five budgets, the positive gaps attained after their FY

Table 14. Increases to FY 2014 General Fund Appropriations Needed to Return Spending Amounts to Their FY 2009 General Fund Original Appropriation Levels

	INCREASES NEEDED		3 YEAR AVERAGE CHANGE	
	\$	%	%	Standard Deviation
STATEWIDE TOTAL	\$178,259,600	6.4	5.3	2.1
EDUCATION	190,926,900	11.3	2.7	2.7
Public School Support	110,177,300	9.1	2.5	1.9
Agric.Res&ExtensionSvc	3,826,500	15.7	2.7	2.4
Universities and College	48,607,900	20.5	3.0	6.1
Community Colleges	none			
State Board of Education	2,715,500	12.6	6.0	4.9
Health Education	none			
Prof.-Technical Educ.	5,942,000	12.1	1.0	3.0
Public Educ. Television	1,703,500	93.3	10.1	8.8
Special Programs	3,257,100	36.3	3.8	4.9
Supt. Of Public Instruct.	none			
Vocational Rehab.	1,216,900	16.7	0.7	8.5
HLTH&HUM.SVCS	none			
Med. Indigent Hlth Care	none			
Hth&Wlf., non-Medicaid	45,419,500	32.6	0.5	6.5
Hth&Wlf., Medicaid	none			
Independ. Living Coun.	31,100	31.7	(1.3)	3.2
Public Health Districts	2,566,800	31.2	(0.3)	4.9
PUBLIC SAFETY	243,600	0.1	7.0	0.3
Adult Correction	none			
Judicial Branch	542,200	1.7	4.2	1.3
Juvenile Corrections	2,576,400	6.9	4.5	3.8
Idaho State Police	2,038,200	6.1	18.3	9.4
NAT. RESOURCES	23,334,900	71.7	2.2	4.5
Environmental Quality	4,785,900	32.3	1.3	4.1
Lands	416,500	8.0	8.5	13.0
Parks and Recreation	14,740,000	1006.6	(1.5)	4.1
Water Resources	3,392,500	30.3	1.3	3.0
ECON.DEVELOPMENT	6,599,800	26.7	3.9	9.5
Agriculture	7,121,500	71.8	3.7	7.8
Commerce	3,410,500	58.9	13.9	28.2
Labor	472,100	156.2	(24.4)	6.0
Self-Gov. Agencies	none			
GENERAL GOVT.	none			
Administration	none			
Attorney General	none			
Controller	none			
Office of the Governor	4,330,300	27.1	1.7	3.3
Legislative Branch	1,582,700	14.0	2.0	1.7
Lieutenant Governor	15,000	10.2	2.9	3.6
Revenue and Taxation	none			
Secretary of State	800,200	40.2	3.6	20.1
Treasurer	354,800	26.2	(0.5)	4.0

Sources: State of Idaho, Legislative Services Office, Budget and Policy Analysis, *Legislative Fiscal Report* for fiscal years 2009, 2012, 2013, and 2014.

2013 appropriations increased further with their FY 2014 appropriations. The differences regarding four other budgets changed from negative to positive, and the negative gaps for 22 other budgets decreased. Although the differences closed by less than 5% in 18 of those latter budgets (including the public schools, health and welfare's non-Medicaid expenditures, juvenile corrections, environmental quality, agriculture, and commerce), the gaps regarding public television, the state police, and lands decreased by more. In contrast, the gaps widened for vocational rehabilitation, labor, the office of the governor, and the secretary of state.

To restore Idaho General Fund appropriation amounts to their FY 2009 levels required a \$178.3 million increase (6.4%) above the statewide total FY 2014 figure. As noted in Table 13, the functional total amounts were as low as \$243,600 for public safety and as high as \$190.9 million for education. The percentage increases extended from 0.1% for public safety to 71.7% for natural resources. The amounts needed to support the spending of individual departments and major programs varied from \$15,000 for the lieutenant governor to \$110.2 million for public school support. The percentage increases ranged from 1.7% for the judiciary to 1006.6% for parks and recreation.

We considered the likelihood of such increases by calculating the average increases and standard deviations for fiscal years 2012, 2013, and 2014. For these three years, the changes in the appropriations at the statewide level and for most individual budgets were increases. Whereas, the changes for fiscal years 2010 and 2011 were mostly decreases. We then examined whether the percentage increases that were needed were within the standard deviation for the three-year averages. As noted in Table 14, the prospects that most appropriations would be returned to their FY 2009 levels soon were not very good. The needed percentage increases were beyond the standard deviations. However, for the statewide total, the public safety total, the spending for the judicial branch, juvenile corrections, and lands, the necessary increases were within the standard deviation. Of course, the real increases required including additional monies to cover inflation.

Conclusions

Progress in Idaho state budgeting has continued to be mixed. The state economy has generally gained since the recession years although prospects for specific sectors have varied. General Fund revenue collections have increased regularly since the low point of FY 2010, but they were still below prerecession amounts.

The legislature's General Fund spending increased for public safety, general government, natural resources, adult corrections, and universities. It was lower for education, health and human services, public schools, Medicaid, and juvenile corrections and remained the same for economic development and non-Medicaid expenditures for health and welfare. The legislature's All Funds portions increased for health and human services, general government, and public safety, Medicaid, adult corrections, the universities, and health and welfare's non-Medicaid expenditures. The shares for education, economic development, public schools, and transportation decreased.

Relative to levels prior to revenue shortfalls and expenditure reductions, the gap for the statewide total General Fund continued to narrow. The amounts for education, health and human services, and general government surpassed their numbers for FY 2009, and the amount for public safety was almost the same. The figures for natural resources and economic development remained well under appropriations approved five years ago. "Progress" varied for General Fund spending of the individual General Fund departments and major programs. Eleven budgets now

surpassed their FY 2009 figures: administration, revenue and taxation, the offices of the attorney general, state controller, community colleges, health education programs, the superintendent of public instruction, medically indigent health care and Medicaid, adult corrections, and self-governing agencies which, as noted earlier, benefitted from certain transfers. Still below their FY 2009 appropriations were the amounts for the remaining 26 General Fund budgets including the

public schools, universities, the office of the governor, legislative and judicial branches, health and welfare's non-Medicaid expenditures, juvenile corrections, state police, agriculture, and commerce.

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