



**Idaho State of the State Address
&
Start of the 2021 Idaho Legislative Session**

Monday January 11th, 2021

Today at 1:00PM Idaho Governor Brad Little kicked off the 2021 Legislative Session with his State of the State Address. A copy of the address is attached below along with a copy of his proposed budget, press release, highlights and an overview of “Building Idaho’s Future” plan.

Governor Little addressed the state of Idaho and the legislature during a unique State of the State given from an undisclosed location, while House and Senate members listen to the speech remotely from their respective chambers. Also listening remote were the other constitutional officers and supreme court justices.

In a unique and justified start to this year’s address, The Governor took time to condemn the riots and violence across the country, and in the nation’s Capital. Governor Little asked for civility and order to return. Gov. Little continued his message with a positive focus on Idaho being a leader in the nation and in the west. He continued supporting regulatory and tax reform while promising investments in broadband, transportation, healthcare and education among others.

Throughout the address the Governor continued to underscore the importance of preserving our way of life and overcoming crisis’s together. Governor Little maintained his positivity, his sincere desire to work with the legislature to remove regulatory burdens and to lead Idaho out of the pandemic and into a future where everyone is connected and free to prosper.

The address continued with familiar comments about removing regulatory burdens, supporting our emergency and healthcare workers, supporting advancements in telehealth, education and commerce, working to protect and preserve our lands and prevent wildfires, increase transparency and civic engagement, and overcoming the political and emotional divisions of our nation and valuing the opinions of all Idahoans, while increasing opportunities for Idaho residents to learn, work and live the best possible life in Idaho.

With the completion of Governor Little’s 2021 State of the State Address, the 66th Idaho Legislature is underway, and the work of the session begins. We will closely monitor activities in the Capitol throughout the session as bills and budgets are introduced. We will continue to provide you with opportunities for feedback, input, and strategy as we work to provide an update and in-depth analysis of the State House's activities.



Highlights from the State of the State Address

Governor Little started the speech by condemning the rioters' action at the US Capitol; as stated by the Governor, civil discourse and debate is the cornerstone of our nation. He called upon all Americans to acknowledge and learn from the events of the past week.

COVID-19

In a meaningful monument, Governor Little offered a moment of silence for the more than 1,500 Idaho's who lost their lives to COVID- 19. He spoke throughout the address about the recovery efforts currently underway to combat the effects of COVID-19 from healthcare to education and from families and individuals to businesses. Hel also reviewed the impacts on families and businesses and the impact on the state.

Gov. Little highlighted the distribution of the COVID-19 vaccinations, the diligence of healthcare workers helping those being tested and cared for and the noted successes from many of the programs and initiatives that were deployed to help Idahoans during the pandemic.

Education

The Governor emphasizes the continued support for the education systems in Idaho while highlighting the teachers and administrators. The Strong Family, Strong Students initiative made available \$50 million for families to access needed technology and educational services, along with \$300 Million of new investment to support schools, teachers, students, and families. Governor little also touched on continued funding for higher education and the career latter plan aimed at retaining teachers and attracting skilled teachers to the state of Idaho.

Transportation

The Governor stated that Idaho must make it a priority to invest in the transportation and infrastructure. He stated that Idaho needs additional investment in transportation funding from general fund and user-based funding for both ground and air capacity, to move product in and out of the state. He further highlighted the continued push for broadband and the advancement of the continued modernization of agriculture, business, telehealth, education and commerce of the state of Idaho.

Tax relief

The Governor and his administration announce the goal for the single largest tax cut in Idaho's history with \$450 million in new tax cuts. With a proposed \$295 million in one-time tax relief and 160 million in permanent tax cuts. This is on the heels of the previously largest tax cut of 124 Million this past summer.

Broadband

Governor Little spoke about the importance of broadband for all of Idaho. Citing the best way for individuals in Idaho to stay connected is with fast and reliable internet. The Governor has made it a priority for the state to invest in internet connectivity and underscored the importance both for students to grow and for companies



to provide better services to communities around the state. Highlighting the challenges rural Idaho faces with the lack of reliable internet. He recommended \$35 million in one-time funding for enhanced broadband throughout the state.

Economy

The Governor continued to explain that both the economy and the population's health are directly related to the continued rebounding of Idaho's economy and the nation's economy. Within his speech, the Governor announced the **Building Idaho's Future** plan, where he touched on Idaho's need for investment in Transportation, broadband, education and agriculture throughout the state.



Governor Brad Little

News Release

FOR IMMEDIATE RELEASE
January 11, 2021

Gov. Little highlights plan for tax relief, strategic investments in 2021 State of the State and Budget Address

Boise, Idaho – During his State of the State and Budget Address today, Governor Brad Little reflected on the events in Washington, D.C., last week and the historic year before detailing his plan to put more money back in the pockets of Idahoans while making strategic investments to propel Idaho even further ahead in prosperity.

Idaho's responsible approach to governing, strong economy, and quick action during the pandemic have resulted in a record (amount) surplus in the state budget, while other states face budget cuts of 20- to 40-percent and more.

"Together, we laid the groundwork before the pandemic to rebound quickly during tough times, proving once again that conservative principles of governing bring opportunity for our citizens during the highs and the lows," Governor Little said.

Governor Little's "Building Idaho's Future" plan provides tax relief and makes strategic investments where they count. The components of the plan include:

- **TAX RELIEF:** Governor Little proposes more than \$450 million in tax relief, among the single largest tax cuts in Idaho history. His plan includes \$295 million in one-time tax relief. He is also proposing \$160 million in permanent tax cuts to boost Idahoans' prosperity while keep our tax rates competitive and our business climate vibrant.
- **TRANSPORTATION:** Governor Little proposes \$126 million in state and local highway infrastructure projects to help preserve one of our citizens' most precious commodities: their time. He proposes \$80 million in new ongoing transportation funding because he said "we cannot ignore a growing problem that steals Idahoans' time and threatens their safety and our economic prosperity. We must act now."
- **EDUCATION:** Governor Little proposes investments in literacy to close achievement gaps that widened for some students during the pandemic. His plan invests in higher education and career technical education training programs across Idaho.

- **LAW ENFORCEMENT:** Governor Little's plan invests in the items necessary to support frontline personnel at the Idaho State Police and training for our local frontline police officers. "While other states seek to defund the police, I am proud to say that Idaho DEFENDS the police. Idaho 'backs the blue.'"
- **BROADBAND:** Following \$50 million broadband infrastructure investments last year, Governor Little's plan continues the momentum with \$35 million for new investments in internet connectivity for underserved areas to improve commerce, economic growth, and education.
- **WATER AND AGRICULTURE:** Governor Little's plan supports major water infrastructure projects and needed projects for agriculture and outdoor recreation.
- **SMALL BUSINESS:** Governor Little proposes more support for small businesses in Idaho, on top of the \$300 million in direct support for small businesses last year.
- **CRIMINAL JUSTICE INVESTMENTS AND CAPITAL CONSTRUCTION:** Governor Little's plan keeps us on a path to safer communities and taxpayer savings by making strategic investments in overdue needs in our criminal justice system, to break the expensive revolving door of repeat offenders. Other funds will catch up on the backlog of deferred maintenance in state buildings and address other needs.

Beyond his "Building Idaho's Future" plan, Governor Little is proposing a "no frills" budget for Fiscal Year 2022 that leaves a prudent surplus, bolsters rainy-day funds, and reflects his continued priority on education, including our valuable teachers. His budget fully implements the historic \$250 million investment in the career ladder.

To ease citizen participation in government and boost confidence in state government, Governor Little is also proposing the establishment of a new online one stop shop for Idahoans to access public meeting information for any state entity. State Controller Brandon Woolf would administer the new online resource for civic engagement.

The ongoing growth in the state budget – just 3.8-percent – is among the most conservative in years.

"Our commitment to conservative budgeting and quick action during the pandemic are the reasons Idaho is excelling while other states' economies and state budgets are pummeled," Governor Little said.

A summary of Governor Little's "Building Idaho's Future" plan is available [here](#).

A full list of Governor Little's budget priorities is available [here](#).

The full text of his 2021 State of the State and Budget Address is [here](#).

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2021 STATE OF THE STATE AND BUDGET ADDRESS

Governor Brad Little
January 11, 2021

My fellow Idahoans, in the 245-year history of this great country of ours, Americans have been through triumphs and trials.

The dark events at the U.S. Capitol last week disturbed us. The violent acts of some overshadowed the peaceful acts of many. Former President George W. Bush aptly described the events as fitting of a “banana republic, not our democratic republic.” The riots tarnished the shining values America stands for.

This is not who we are.

Hostility and violence are not an expression of your rights; they are a violation of everyone else’s.

While we should be celebrating the openness of our government, a fence is being erected around the U.S. Capitol. I mourn the loss of life and the loss of access and what it means for future generations of Americans.

But I believe we the people have the power to form a more perfect union.

How?

By condemning the upheaval, not defending or denying it.

By refusing to be intimidated by those who seek to destroy our country.

By redoubling our commitment to peaceful assembly and civil discourse – not just in the halls of the Capitol but in all areas of our lives.

In Idaho, we’ll celebrate the centennial of our statehouse this year, a building known as “the Capitol of Light.” What an appropriate time to let the light of democracy shine – today and for one hundred more years and beyond.

The openness of our political process in Idaho is demonstrated in the openness of this building. Let’s keep it that way.

In preparing this speech, I looked back on my State of the State address last year.

I began by saying, “What a year!” We had just wrapped up a year of historic regulatory reforms, investments in education, and other shared achievements.

I think it's appropriate to repeat that remark again this year.

One year ago, a global pandemic was not on our radar. We've come a long way in our fight against the enemy virus, and with the arrival of a safe vaccine just a few weeks ago, the end of the battle is in sight. We're in the home stretch, and together we will finish strong.

I want to thank my wife and our First Lady, Teresa, for her unrelenting support for Idahoans during a very challenging year. Teresa, you are a source of peace and strength for me and for the people of Idaho. I am proud of you and our entire family.

I also want to thank the Idaho Legislature for your work during the special session. Unlike many states, Idaho proactively addressed the safety and security of the general election and protected businesses, schools, and churches responsibly operating during the pandemic.

Sadly, we have lost over 1,500 of our fellow Idahoans to a new, dangerous, and deadly disease. Thousands of Idahoans of all ages and health conditions have been hospitalized. Many friends and neighbors lost time at work and face long-term health problems. To the mothers and fathers, children, siblings, grandparents, and veterans impacted, our hearts are with you. Please join me in a moment of silence to remember our fellow Idahoans who lost their lives to COVID-19.

Throughout the pandemic, the women and men in scrubs have been nothing short of heroic. Idaho's nurses, doctors, and health care workers put their own safety on the line, pulling extra shifts to care for the influx of COVID-19 patients in our hospitals.

Idaho's hospitals continue to do an excellent job of sharing resources and shifting operations to prevent a crisis. They have also shared the reality of COVID-19. They are telling the stories of COVID-19 patients – the stories of people whose organs are shutting down from an aggressive disease; the stories of young, healthy people who ended up on life support; the stories of veterans who fought enemies overseas only to suffer from a new invisible enemy here in their community. They are telling the stories of exhausted doctors and nurses caring for patients who cannot be with their families.

The COVID-19 reality is heart breaking.

To Idaho's hospitals and health care workers, thank you.

The pandemic turned our work lives, social lives, and home lives upside down. It pushed our healthcare, education, and unemployment systems to new lengths. It divided Americans in our individual views on the severity of the disease and how we should respond to it.

But the pandemic also reminds us that in troubled times, we have choices.

We can choose compassion over conflict.

Listening over lecturing.

Humanity over hostility.

These choices start with each one of us, individually, in our hearts. It is a concept that aligns perfectly with the fiercely independent and self-reliant spirit of the people of Idaho.

I choose to remember the historic year by the innumerable acts of kindness displayed by many Idahoans over the acts of aggression by a few.

From the beginning, my goal as Governor has been to make Idaho the place where we all can have the opportunity to thrive, where our children and grandchildren choose to stay, and for the ones who have left to choose to return.

That pursuit steered our pandemic response. Not one state or country in the world opted for the “no action” alternative. That approach would have ended in catastrophic loss of life and destructive consequences for our healthcare system and economy.

My North Star during this trying time has been to protect life and critical health care capacity while supporting faith, families, businesses, and students.

No other state prioritized support for businesses and the workforce as much as Idaho.

We assembled a team of business leaders from companies big and small to guide decisions on our economic rebound plan. We put more than \$300 million toward grants and equipment for small businesses. We helped get workers back on the job. We lowered unemployment insurance taxes for nearly all Idaho businesses. We ensured public safety personnel had all the resources needed to protect our loved ones, while giving \$126 million back to property taxpayers. And Idaho will benefit for years to come from the \$50 million investment in broadband infrastructure to support remote working and learning and more economic opportunity in rural Idaho.

We all play a role in choosing to protect lives, our economy, and our kids’ ability to continue learning in their classrooms. It is a responsibility shared by all of us.

But our state does play a role in times of an emergency.

We increased and expedited COVID-19 testing and took other steps to reduce exposure to a new disease. We raised capacity at the state lab to more quickly turn around results from an increased number of tests administered in schools and long-term care facilities. We enabled pharmacists to administer testing and vaccinations.

Our staged economic rebound plan had one goal – to protect lives and prevent a crisis in our hospitals while the economy could move forward. Businesses and places of worship in Idaho have been open longer than almost every other state during the pandemic. The statewide public health orders, guidelines, and recommended protocols we made available are for each one of us to choose to follow so Idaho can stay open.

In order to protect lives, we needed to elevate healthcare capacity so we could all continue to access care. To minimize the time COVID-19 patients spend in the hospital, we allocated new and effective treatments. To better protect residents of long-term care facilities, we designated COVID-only facilities and put millions toward testing of facility workers.

In the spring, Idahoans collectively slowed the spread of the disease while we worked to prepare our healthcare system. It worked. Hospitals, clinics, and first responders received more resources and staff to handle an influx of patients.

We cut red tape to expand access to more medical professionals. It worked. We licensed 1,100 more nursing professionals since last spring.

And we lifted regulations to expand telehealth access. It worked. The use of telehealth rose by 4,000-

percent, and Idahoans in all parts of the state could continue to access care from the safety of their homes. The pandemic opened the door to great advances in telehealth access. Let's work together to make those red tape cuts permanent!

I also activated the Idaho National Guard to increase health care capacity. The guardsmen are deployed across the state to help with testing, decontamination, and planning, and they're assisting with critical vaccine distribution. Our men and women in the Guard are always prepared to serve, especially in a time of emergency. We are deeply grateful for their service.

Members of the seven public health boards made courageous decisions in the face of heated opposition. They have my support. Mayors, county and city officials, and school board members also made very tough decisions. These local leaders labored late into the evening. They navigated new technologies to inform the public. They wrestled with decisions they knew would draw criticism. Thank you.

Unlike many other states, almost all Idaho school districts are delivering full or partial in-person instruction. For months, teachers and others have accommodated changes in the delivery of education under uncertain time frames. I join many in expressing my deep appreciation to those who are serving our students during these extraordinary circumstances.

To support our school officials, Idaho created a framework to guide local decision-making on safe school operations while emphasizing the importance for students to learn in the classroom with their teachers and classmates. We also made historic investments in education – bumping up funding by \$300 million or 16-percent overall – to support students, teachers, families, and safety.

Parents continue to do much of the heavy lifting for their children's education during this once-in-a-lifetime pandemic. I know it isn't easy. I know at times it has felt impossible to balance work demands while facilitating online learning for your children at home. Many of you lost paychecks or left your jobs to be there for your children during this unprecedented time. Our \$50 million "Strong Families, Strong Students" initiative supported many of these families by helping them access the technology and educational services required for successful at-home learning.

Like a tornado, 2020 was damaging and deadly.

But with the arrival of a safe vaccine just a few weeks ago, the dark clouds of the pandemic are starting to part.

There is an uplifting sense that we may be in the final lap of this race against COVID-19. The finish line is close, but the worst part of the pandemic may not be behind us. We cannot relent in our personal actions to protect everything and everyone we hold dear, especially in the critical weeks and months ahead.

Adaptation, determination, and resilience define Idahoans.

As we reflect on a momentous year, we are more than ready to look ahead.

The state of the state is strong.

To keep our children and grandchildren in Idaho, we must continue to lead the nation in economic prosperity.

I am not surprised that Idaho ranks first among states for economic momentum. Idaho ranks first for financial solvency and personal income growth.

Together, the Legislature and I laid the groundwork before the pandemic to rebound quickly during tough times, proving once again that conservative principles of governing bring opportunity for citizens during the highs and the lows.

A robust economy cannot exist with burdensome regulations on citizens and business. Part of the reason Idaho's economy is catapulting ahead of other states is because of the regulatory rollbacks we achieved together before and during the pandemic.

Together, the Legislature and our administration achieved historic regulatory cuts in my first year as Governor, making Idaho the least regulated state in the nation. For two straight years we've cut red tape. The people of Idaho can be assured that, together, their Governor and legislators will maintain a lean and efficient system of regulations in Idaho moving forward.

Simply put, fiscal conservatism and the collaboration between executive and legislative branches have positioned Idaho to emerge from the pandemic stronger than ever.

Together, before COVID-19, the Legislature and I were already preparing for an inevitable slowdown of Idaho's economy. We limited government spending, used conservative revenue forecasting, and maintained healthy rainy-day balances.

We took a lot of heat from some who could not wrap their heads around this basic conservative principle: the time to prepare for the bad times is in the good times.

Turns out we were right.

While other states face potential budget cuts of 20- to 40-percent and more, Idaho is in the enviable position of having a record budget surplus.

The sound decisions of Idaho leaders in the past have gotten us to where we are today.

Let's keep our state on this strong economic trajectory, together. Now is the time to make meaningful investments.

I am happy to announce my new plan to put more money back in the pockets of hardworking Idahoans and make strategic investments to propel our state even further ahead in prosperity.

My plan is called "Building Idaho's Future."

I am proposing more than \$450 million in tax relief. This would be among the single largest tax cuts in Idaho history!

To get there, I'm proposing \$295 million in one-time tax relief and \$160 million in permanent tax cuts to boost Idahoans' prosperity while keeping our tax rates competitive and our business climate vibrant.

Curbing government spending and returning taxpayer dollars should be the perpetual mission of public servants. I look forward to working with my partners in the Legislature to get tax relief across the finish line for our citizens.

My plan also shores up millions more in cash payments for small business, on top of the \$300 million we directed to small businesses last year. Small business is the backbone of our entire way of life.

We're able to achieve tax relief and continued support for small business in part because, together, we cut government spending early on.

My plan reinvests these savings into infrastructure projects with long-lasting value. With these investments, we will help preserve one of our citizens' most precious commodities: their time.

We won't be able to keep our children and grandchildren in Idaho if we cannot alleviate traffic congestion, especially as our state continues to attract newcomers fleeing dysfunctional states. No one wants to be stuck in traffic when they can spend time with their family.

My plan invests \$126 million in state and local highway infrastructure projects and makes targeted investments in safe routes to schools, rail infrastructure, and community airports.

I am also proposing \$80 million dollars in new ongoing transportation funding. A dependable transportation system is fundamental to commerce. In Idaho, we grow and process most of our commodities, and getting those products down the road in a timely fashion is critical. In all parts of the state, major transportation projects continue to get pushed out further and further.

One of the basic roles of government is to ensure a safe, connected system of roads and highways.

We cannot ignore a growing problem that steals Idahoans' time and threatens their safety and our economic prosperity.

We cannot delay any longer in executing a sustainable plan for transportation funding into the future.

We cannot postpone securing a long-term funding source.

We must address the transportation needs for this generation and the next.

We must act now.

The Legislature and I will work together on a sustainable transportation funding plan – one that blends both General Fund and reliable user fees to keep our economy driving forward!

Safe communities form a thriving Idaho. My plan also invests in the men and women of law enforcement.

It's never been a more difficult time to put on the uniform. These brave souls demonstrate great restraint in order to deescalate intense situations. Their path to law enforcement stems from a true desire to serve and protect us. They are committed to implementing the best training and building strong relationships with the communities they serve.

My plan invests in the items necessary to support frontline personnel at the Idaho State Police -- and training for our local frontline police officers.

While other places seek to defund the police, I am proud to say that Idaho DEFENDS the police. Idaho "backs the blue."

Another way we make Idaho safe is through a low crime rate. Our safety is maintained when those returning home from a period of incarceration can become productive citizens. Thanks to investments we made in our correctional system last year, Idaho is safer because fewer Idaho inmates are violating parole. My plan keeps

us on a path to save taxpayer resources by making strategic investments in overdue infrastructure needs in our criminal justice system so we can break the expensive revolving door of repeat offenders.

My “Building Idaho’s Future” plan also invests in needed projects for agriculture and water infrastructure to aid in the economic vitality of rural Idaho.

In Idaho, agriculture remains a way of life. Last year, Idaho’s farmers, ranchers and allied businesses met a crisis with increased productivity, as they have done for generations. Farmers gave Idahoans faith that empty grocery store shelves were just a matter of timing and not an issue of true scarcity. Idaho agriculture continued to feed the state, the nation, and the world.

Agriculture – and our economic future – hinge on safe and dependable water sources. Water is truly the source of life. My plan makes \$60 million in strategic investments in long-term water projects and safe water systems for our communities.

Let me return to my top priority – Idaho’s children.

We need to continue to invest in an education system that gives the next generation of Idahoans a solid foundation for lifelong learning and meaningful employment, here at home in Idaho.

The pandemic highlighted schools as the heart of our communities and the bedrock of a strong economy.

But with all the disruptions in education delivery over the past ten months, many of Idaho’s students are experiencing a learning loss. For some students who were already on track, the learning loss could range a few months. But our needier students may have lost more than a year’s worth of learning.

We must close the achievement gap.

To help, my “Building Idaho’s Future” plan recommends investments in literacy – my highest priority in education.

We must ensure this school year is an anomaly – not a permanent system-wide flaw for Idaho’s students in the next decade or more. We must make sure all young students are on track to read by the end of the third grade.

Our students are also Idaho’s future workforce. My plan supports Idaho’s higher education system as well as career technical education programs across Idaho that connect students with employers who need them and equip students with the skills they need while they earn a degree. Our kids need to know all career paths available to them.

For our kids to have a future in Idaho, they also need equal access to education. We must continue to make investments in internet connectivity.

Last year, a family in Kootenai County was struggling with distance learning. The family didn’t have access to broadband so the two children had to use their mom’s cell phone and data plan to complete their schoolwork. In Arimo, students struggled during the pandemic with equal access because they didn’t have the internet speeds necessary for video conferencing. Now, thanks to our investments, these students have better learning opportunities. There are many more stories like these.

Simply put, broadband access is central to commerce, economic growth, and education. We’ve made major progress – from Aberdeen to Winchester – and my plan continues that momentum.

Beyond my “Building Idaho’s Future” plan, I’m proposing a “no frills” budget for Fiscal Year 2022. My budget leaves a prudent surplus, bolsters rainy-day funds, and reflects my continued priority on education, including our valuable teachers.

My budget meets our historic commitment to teachers by fully implementing our \$250 million investment in the career ladder.

To help in the ongoing pandemic response, my budget also bolsters Idaho’s public health infrastructure. I’m recommending funds to increase nursing capacity and also to address the shortage of physicians across Idaho. I also propose putting more than 250-million dollars toward our homestretch efforts to finish the fight against COVID-19.

Idahoans spent more time outdoors in the past year than perhaps ever before. The outdoors offers Idaho families a sense of release and fun. To further improve our quality of life and make Idaho the place where future generations can recreate outdoors, I’m also recommending we ramp up investments to promote healthy lands and reduce wildfire risk.

Activists are trying to rebrand wildfires as “climate fires” – a divisive, defeatist term that does not accurately capture the West’s fire problem and dismisses the opportunity to do something about it.

Through collaborative initiatives such as the Good Neighbor Authority and Shared Stewardship, Idaho is focused on a solution – active land management.

Long gone are the days of no-action tactics that don’t work to protect the land or livelihoods.

Idaho is actively mapping out the future of our forests, and your grandkids and mine will directly benefit from our actions today.

In Idaho, we believe government must be responsive to the people it serves. To ease citizen participation in their state government, I’m recommending the creation of a new one stop shop for Idahoans to access public meeting information for any state entity. State Controller Brandon Woolf – my partner in government transparency – will administer the new online resource for civic engagement. We will continue to stand up for good government.

The ongoing growth in the state budget – just 3.8-percent – is among the most conservative in years. Our commitment to conservative budgeting – and quick action during the pandemic – are the reasons Idaho is excelling while other states’ economies and state budgets are pummeled. Let’s continue to live within our means and make investments where they count.

I’ll repeat it: what a year we had.

My fellow Idahoans, the pandemic made us appreciate parts of life we took for granted, and I don’t just mean the availability of toilet paper.

We learned not to take for granted time with family, our faith, and our freedom.

Despite all the differences of opinion, I know this: we are united in our love for Idaho and this great country of ours.

I am reminded of the timeless words of one of my heroes, President Ronald Reagan. He said, “The crisis

we're facing today... does require... our best effort and our willingness to believe in ourselves and to believe in our capacity to perform great deeds, to believe that together, with God's help, we can and will resolve the problems which now confront us. And after all, why shouldn't we believe that?"

I believe history will remember Idahoans' tremendous outpouring of support for each other during the pandemic.

I want to thank the people of Idaho for their perseverance and the care they have shown others over the past ten months.

In times of hardship, opportunity for growth emerges.

As Idahoans, we must choose to come out of the pandemic stronger, more resilient, and more united than ever before.

God bless Idaho, and God bless the United States of America.



FY 2022 Budget Highlights

The Executive Budget for FY 2022 reflects Governor Little's continued focus on investments in education, job growth, economic opportunity, and ensuring Idaho is the place where our children and grandchildren will choose to stay.

- **Education Remains Top Priority.** In total, funding for K-12 grows 16% this year and 5.4% next year. The Governor's budget fully implements the new career ladder build-out of the advanced professional rung and makes significant new investments in career technical education.
- **Strengthens Public Health Response.** The Governor's budget includes more than \$250 million in total funds to bolster the state's public health infrastructure to continue responding to the ongoing COVID-19 pandemic.
- **Invests in Economic Stimulus Projects.** The budget includes Governor Little's *Building Idaho's Future* investment package that reinvests \$332 million of General Fund and \$35 million in federal funds to make critical improvements including roads, bridges, rail, water infrastructure projects, and broadband. These projects will get Idahoans back to work and make long-lasting contributions to Idaho's future economic prosperity.
- **Provides Tax Relief.** The budget provides more than \$455 million in tax relief for Idaho families and small businesses, including \$160 million in permanent cuts to boost Idahoans prosperity while keeping our tax rates competitive and our business climate vibrant.
- **Leaves a Prudent Surplus.** The budget leaves a projected ending balance of \$185 million this year and \$138 million next year, ensuring a cushion for economic uncertainty.
- **Bolsters Rainy Day Funds.** The budget bolsters state rainy day funds by \$230 million, augmenting the state's preparedness for economic uncertainty as federal funding tapers off.

Summary Tables and Graphs

Building Idaho's Future Investment Package

- **Transportation Infrastructure.** The Governor recommends \$120 million for state and local highway infrastructure projects. The Governor also recommends \$2 million to assist with rail infrastructure and safety improvement, and \$4 million in funding for community airport improvements.
- **Water and Agriculture Infrastructure.** The Governor recommends \$60 million to support major water infrastructure projects prioritized by the Idaho Water Resources Board, the Agricultural Best Management Practices program, and to support drinking water and wastewater projects in rural Idaho communities.
- **Broadband Infrastructure.** The Governor recommends \$35 million for a competitive broadband grant program with an emphasis on bringing access to rural unserved or underserved households.
- **Economic Development.** The Governor recommends \$3 million for outdoor recreation, with an emphasis on outdoor trails to catalyze tourism in Idaho's rural communities. The Governor also recommends \$1 million to the Opportunity Fund to help with the recruitment and retention of businesses in Idaho.
- **Education Investments.** The Governor recommends \$20 million to enhance literacy and other educational outcomes given the education disruptions associated with COVID-19. The Governor recommends \$4.8 million in investments in career technical education. The Governor also recommends \$5.5 million for investments in higher education, namely the advancement of priorities from the Huron Report that will improve collaboration across universities and yield savings over time.
- **Public Safety.** The Governor recommends \$964k to defend our state police and provide them with the tools and resources they need to be effective in keeping our communities safe.
- **Capital Construction and Repair Projects.** The Governor recommends \$96.2 million in capital construction projects to be overseen by the Permanent Building Fund Advisory Council. Within this amount, the Governor recommends \$30 million for critical improvements and economic stimulus projects identified by the legislature that have a statewide benefit and contribute to building Idaho's future, \$22.7 million for miscellaneous alterations and repairs throughout the state, \$3 million for the University of Idaho's Parma Research and Extension Center, \$700k for two University of Idaho greenhouses to increase seedling production, \$3 million to the College of Eastern Idaho's Future Tech facility, and \$7.4 million to the Youth ChalleNGe program. This amount also includes overdue infrastructure, including \$23 million for Department of Correction to expand in-state capacity and reduce the revolving door of recidivism and \$6.4 million for the Department of Juvenile Corrections St. Anthony campus.
- **Small Business Grants.** The Governor recommends \$15 million in federal funds for cash grants to small businesses and Idahoans who have been disproportionately impacted by the COVID-19 pandemic.

Investing in K-through-Career Education

- **Career Ladder.** The Governor recommends \$44.9 million for career ladder growth, including increases for our most experienced teachers.
- **Advanced Opportunities.** The Governor recommends an additional \$9.7 million, bringing the total to \$29.7 million, to accommodate the increasing number of students utilizing Advanced Opportunities, the program with which high school students earn college or technical credits at no cost.
- **Teacher Health Insurance.** The Governor recommends \$10.6 million to cover the rising health insurance costs for school districts.
- **Enrollment Workload Adjustment.** The Governor recommends \$3.3 million to the colleges and universities for an Enrollment Workload Adjustment as generated by the formula that compares student credit hour levels over three consecutive years.
- **Substance Abuse and Mental Health Services.** The Governor recommends \$1.2 million in federal fund spending authority to build a sustainable framework that will embed mental health clinicians in rural schools.

- **School Safety and Security.** The Governor recommends moving the Office of School Safety and Security to the State Board of Education and recommends \$242k in one-time General Fund to continue the tip line and threat assessment programs.
- **Career Technical Education Apprenticeship Grant.** The Governor recommends \$648k in one-time federal fund spending authority and 1 FTP for a U.S. Department of Labor apprenticeship grant that will provide opportunities in information technology, advanced manufacturing, and healthcare.
- **Workforce Development Council Youth Apprenticeship.** The Governor recommends \$749k and 1 FTP in federal fund spending authority for the second year of a 4-year \$2.5 million grant to serve 400 youth apprentices in Idaho and at least 300 Idaho employers.
- **Public Education Stabilization Fund (PESF) Transfer.** The Governor recommends a one-time transfer of \$31 million to PESF to replace funds depleted in FY 2020.
- **Idaho Digital E-Book Alliance (IDEA).** The Governor recommends \$307k in on-going General Fund to ensure IDEA, initially launched in October 2020 in response to COVID-19, becomes a statewide sustainable program to enhance literacy by purchasing e-books for K-12 students.

Investing in Health and Human Services

- **Medicaid Expansion.** The Governor's budget recommendation continues to implement Medicaid expansion under Proposition 2. Given both the growing enrollment and Per Member Per Month costs, it is not possible to implement with a net-zero impact on the General Fund. The Governor recommends a \$12.5 million cost-share with the counties to capture the savings counties have realized from Medicaid Expansion.
- **Increased Medical Residency Capacity.** The Governor recommends \$900k for 15 new medical residents to address the shortage of physicians in the state and continue implementation of the 10-year Graduate Medical Education plan. This year's build-out continues the focus on rural healthcare and psychiatric care.
- **Increased Nursing Capacity.** The Governor recommends \$1 million ongoing General Fund for postsecondary nursing programs at Lewis Clark State College, North Idaho College, College of Western Idaho, and College of Southern Idaho. These funds would go toward hiring additional faculty and developing the programming necessary to increase the capacity of Idaho's nursing programs and produce more nursing graduates across the state.
- **Expanding Mental Health Treatment.** The Governor recommends adding 24.5 FTP and transfers \$2.4 million from State Hospital South to State Hospital North for Joint Commission Accreditation to allow State Hospital North to bill Medicaid as an IMD facility.
- **Community Recovery Centers.** The Governor recommends \$450k in one-time funds for community-based recovery centers to help individuals with substance use disorders.
- **Overdose to Action Grant.** The Governor recommends \$190k in one-time federal fund spending authority for the overdose to action grant which hired and trained toxicologists to perform toxicology testing on approximately 250 death investigation cases coming from coroner offices in Idaho.
- **Statewide Opioid Tracking.** The Governor recommends \$428k in ongoing dedicated fund spending authority to fund the ongoing annual operation and maintenance of Statewide Gateway and NarxCare within the Prescription Drug Monitoring Program (PDMP). These tools enhance the tracking of opioids and provide decision-support tools to healthcare providers to improve prescribing and dispensing decisions.
- **Enhancing State Veteran Homes.** The Governor recommends \$7.4 million in total funds for life safety and COVID-19 projects at the Lewiston and Pocatello State Veterans Home facilities, and for design changes at the Post Falls State Veterans Home to mitigate the impacts of COVID-19.

Summary Tables and Graphs

Investing in Public Safety

- **St. Anthony Work Camp Expansion.** The Governor recommends \$3 million in total funds for the start-up and staffing costs for the St. Anthony Work Camp expansion that is expected to open 130 beds by September 2021. This facility will provide additional housing for Idaho's offender population while preparing offenders for a positive reentry into the community.
- **State Police Infrastructure.** The Governor recommends \$2.6 million in one-time capital outlay for repair and replacement items, including the replacement of 29 vehicles, 62 ballistic vests, and improvements to forensics lab equipment.
- **POST Funding** – The Governor recommends legislation requiring an annual distribution from the Liquor Fund in the amount of \$800k to the Peace Officers Standards and Training Fund beginning in FY 2021. The POST Fund has insufficient revenues to support the training and certification of State and local law enforcement entities. The distribution to the POST fund would equally impact both the General Fund distribution and the counties and cities distribution in the amount of \$400k each.
- **Judicial Branch.** The Governor recommends \$273k for a new District Judge and court reporter to be chambered in Canyon County. The Governor also recommends \$272k for two new Magistrate Judges to be chambered in Canyon County.
- **Internet Crimes Against Children.** The Governor recommends \$130k for replacement items for the Attorney General's Internet Crimes Against Children task force, including forensic processing workstations.
- **Juvenile Offender Case Management.** The Governor recommends \$450k in one-time General Fund to update the juvenile justice system's case management software.

Investing in Agriculture and Resource Management

- **Fire Suppression.** The Governor recommends a one-time transfer of \$20 million to the Fire Suppression Deficiency Fund to ensure the Department of Lands has the resources necessary to combat fires on six million acres of private, state, and federal lands in Idaho.
- **Department of Lands Fire Program.** The Governor recommends \$1.1 million in total funds and 11 FTP to augment the fire program and ensure the state is maximally prepared to respond to and investigate fires.
- **Shared Stewardship Program.** The Governor recommends \$450k in ongoing General Fund to bolster Idaho's Shared Stewardship Program to protect and manage wildlife and watershed restoration projects on various private, state, and federal lands throughout Idaho.
- **Good Neighbor Authority.** The Governor recommends \$90k in one-time General Fund for vehicles for foresters associated with Idaho's Good Neighbor Authority (GNA) who are implementing forest management activities under GNA occurring on the Idaho Panhandle and Nez Perce-Clearwater National Forests.
- **Sage Grouse Study.** The Governor recommends \$75k to support the continuation of a 10-year University of Idaho study to analyze the impact of grazing on sage grouse.
- **Agriculture Best Management Practices.** The Governor recommends a one-time transfer of \$279k to the Agriculture Best Management Practices Fund to support implementation of projects in high-priority watersheds throughout Idaho.
- **Coeur d'Alene Lake Study.** The Governor recommends \$573k in one-time dedicated fund spending authority to assess the water quality of Coeur d'Alene Lake. The first phase will focus on evaluation of the health of the lake and the second phase could potentially discuss the implication of and offer recommendations for management actions that could improve the water quality.

- Bear River Basin Adjudication. The Governor recommends \$354k in General Fund to begin the last adjudication phase in Idaho for the Bear River Basin which is anticipated to take 10 years to complete.
- Billingsley Creek Campground. The Governor recommends \$4.4 million in total funds to augment the Billingsley Creek unit of Thousand Springs State Park with a 50-spot RV campground and the addition of interpretive exhibits at the visitor center currently under construction.

Enhancing State Government

- Easing Citizen Engagement in State Government. The Governor recommends \$375k for a one-stop shop that will house the public agendas for all state agencies. Citizens will be able to subscribe to agendas for specific agencies or for specific meeting functions (e.g., rulemaking). The website will make it easier for citizens to engage in state government and participate in upcoming meetings.
- Local Government Budget Transparency. The Governor recommends \$1.7 million to advance a priority of the Legislature's Property Taxes and Revenue Expenditures Study Committee. This would support the collection and reporting of local government budget and expenditure numbers through the Transparent Idaho website.
- State Employees. The Governor recommends a 2% Change in Employee Compensation for permanent state employees that is to be based on merit and a 2% pay structure shift.
- Consolidates Occupational Licensing. The Governor consolidated 11 licensing agencies into a single agency -- the Division of Occupational and Professional Licensing. This one-stop shop will more efficiently serve citizens. The Governor recommends \$5.8 million in moving expenses to bring the agency under one roof at the state's Chinden Campus.
- 27th Payroll Fund. In most years, Idaho has 26 payroll periods, but every 11 years the state will incur a 27th payroll period. When this occurs, the state sees a significant increase in salary and variable benefit costs for the fiscal year. This will next occur in FY 2028. Rather than wait until that time to cover this known cost, the Governor recommends setting aside \$3 million annually to prepare. To that end, the Governor recommends \$15 million to this fund to catch up since the last 27th payroll.

BUILDING IDAHO'S FUTURE

“Building Idaho’s Future” is Governor Brad Little’s plan to invest Idaho’s one-time surplus in critical infrastructure projects that will:

- Help develop a diverse workforce
- Further our state economic rebound
- Create a long-lasting benefit for all Idahoans



CATEGORY	BRIEF DESCRIPTION	TARGETED AMOUNT	
		ONE TIME	ONGOING
Tax Relief	<ul style="list-style-type: none"> • Leverage the one-time build up in the Tax Relief Fund for one-time tax relief (e.g., double grocery tax credit one time, increase circuit breaker for one year) • Leverage the ongoing portion of the Tax Relief Fund and excess ongoing revenue to ongoing tax relief (e.g., income tax reduction) • Cover the costs of tax conformity to support business liquidity 	(\$295 M)	(\$160 M)
Spending Cuts	<ul style="list-style-type: none"> • Reinvest the one-time reductions in agency spending in one-time projects with long-lasting value • Reductions came from holdback in FY20/21, agency reversions, and reimbursement offsets 	(\$390 M)	
Transportation	<ul style="list-style-type: none"> • Invest in state and local highway infrastructure projects through a 60-40 split. <ul style="list-style-type: none"> ◦ Create ongoing source of funding to stimulate long-term investment offset by ongoing tax reductions (above) • Make targeted investments in safe routes to schools, rail infrastructure, and community airports. 	\$126 M	\$80 M
Water and Agriculture	<ul style="list-style-type: none"> • Support major water infrastructure projects prioritized by the Idaho Water Resources Board. • Make investments in agricultural best management practices, and support drinking water and wastewater projects in rural communities. 	\$60 M	
Broadband & Economic Development	<ul style="list-style-type: none"> • Bring broadband access to rural unserved or underserved households. • Invest in outdoor recreation projects that can catalyze tourism in rural communities. • Provide resources for business attraction and expansion. • Provide grants to small businesses and Idahoans who have been disproportionally impacted by the COVID-19 pandemic 	\$54 M	
Education	<ul style="list-style-type: none"> • Make investments to enhance literacy for students who had unique education circumstances during COVID-19. • Spark new opportunities for Career Technical Education linked to the workforce needs of local communities. • Invest in central support for higher education to provide cost savings over time. 	\$30 M	
Public Safety	<ul style="list-style-type: none"> • Make investments to defend our state police and provide them with the tools and resources they need to be effective in keeping our communities safe. 	\$1 M	
Capital Construction	<ul style="list-style-type: none"> • Catch up on the backlog of deferred maintenance in state buildings. • Invest in capital projects that are needed. • Enhance the Youth Challenge dormitories. • Upgrade the University of Idaho’s Parma Research and Extension Center, and invest in College of Eastern Idaho’s Future Tech facility. • Create more in-state prison capacity and upgrade the juvenile correction facilities. 	\$66 M	
Additional Prioritized Projects	<ul style="list-style-type: none"> • Ensure other priorities identified during session can be prioritized 	\$30 M	
		(\$318 M)	(\$80 M)