

# UC Berkeley

## California Journal of Politics and Policy

### Title

Is Idaho Making Progress After 2 Years of Budget Restrictions?

### Permalink

<https://escholarship.org/uc/item/7f02b79d>

### Journal

California Journal of Politics and Policy, 4(3)

### Author

Kinney, Richard

### Publication Date

2012-10-01

### DOI

10.5070/P2K30B

Peer reviewed

## Research Article

Richard Kinney\*

# Is Idaho Making Progress After 2 Years of Budget Restrictions?

**Abstract:** This report discusses Idaho's budget and appropriation decisions for FY 2012 and whether the state has made any progress to return back to the initial FY 2009 spending levels which were approved before Idaho's economic and General Fund revenue problems began. It briefly describes Idaho's people, politics, and budgeting process. It then considers the state economy and its General Fund revenues. Finally, it examines budget recommendations and legislative actions for FY 2012 and impacts of these decisions. The state's progress to return to the earlier levels has been mixed.

**Keywords:** budget shares; executive and legislative budget decision making; Idaho budgeting; revenue scarcity; state budgeting

---

\*Corresponding author: Dr Richard Kinney, Professor, Department of Political Science, Boise State University, 1910 University Drive, Boise, Idaho 83725-1935, Phone: +208-426-3594, e-mail: rkinney@boisestate.edu

---

In 2008, the Idaho legislature approved a total General Fund appropriation for the Fiscal Year (FY) 2009 of \$2959.3 million for a 4.9% increase in spending (Budget and Policy Analysis 2008, p. 20). However, as a result of economic and General Fund revenue problems, the governor and legislature had to reduce General Fund spending for FY 2009 by almost \$235.0 million or 8.0% (Kinney 2010b, ID-2). During the next fiscal year, the governor called for an expenditure reduction of \$69.0 million, to which the lawmakers added \$89.0 million more in cuts.

This report discusses budget and appropriation decisions for FY 2012 and whether Idaho has made any progress to return back to the initial FY 2009 spending levels which were approved before Idaho's problems began. It briefly describes Idaho's people, politics and budgeting process. It then considers the state economy and its General Fund revenues. Finally, it examines budget recommendations and legislative actions for FY 2012 and impacts of these decisions.

## 1 Idaho's People

With its 83,557 square miles, Idaho is the 11th largest state in size (Budget and Policy Analysis 2011c, p. 107). The US government owns 63.1% of the Gem State's land area, and state government owns another 5.1%.

Idaho's estimated 2010 population of 1,559,796 was 39th among the states, and its growth rate of 1.0% was 13th (Budget and Policy Analysis 2011c, p. 113). Out of every 100 people, approximately 90 were White (fourth in the USA) and 11 were Hispanic (15th nationally). About 19% were school-aged children (third in the nation). In 2008, 80.1% of the students in the state's public high schools graduated for a national ranking of 17th. In 2009, nearly 88 out of every 100 people were high school graduates, and 24 were college graduates for national rankings of 21st and 39th, respectively. The mean salary for Idaho teachers in 2011 was \$47,416, 37th in the USA.

For 2009 the state's personal income of \$48.9 billion was 41st nationally; per capita personal income of \$31,662, 48th; and median household income of \$48,299, 29th (Budget and Policy Analysis 2011c, pp. 112–114). Idaho's 25,500 farms ranked 33rd. Its 9.5% unemployment rate for 2010 was 14th in the USA, and its 2009–2010 job growth rate of –0.8%, 31st in the country.

Fifteen percent of the population had no health insurance in 2009, and Idaho ranked 20th (Budget and Policy Analysis 2011c, pp. 115–116). Seventy out of every 100 children in the state who were in the 19–35-month age range had received all of their immunizations (23rd in the USA). Thirteen percent of the people lived in poverty in 2009, and 14 out of every 100 people were in the Medicare program for national rankings of 24th and 38th, respectively. Idaho was placed 47th for the portion of its population receiving public assistance in 2008 (1.8%) and 48th for the number of people receiving temporary aid to needy families in 2010 (2644). Twelve out of every 100 people had food stamps in 2010, which placed the state 28th nationally.

During 2009, for every 100,000 people, there were just over 228.4 violent crimes and 1.4 murders for national rankings of 42nd and 45th, respectively (Budget and Policy Analysis 2011c Budget and Policy Analysis, 114). Idaho's incarceration rate of 476 people was 14th in the country. The state ranked 22nd in the USA for having 14 people on death row.

## 2 Politics in Idaho

Since 1999, a plurality of Idahoans have consistently identified themselves as Republicans, ranging from a low of 33.0% in 2010–2011 to a high of 47.0% in 2004

(Boise State University 2011, 33). Self-identifying Independents have made up the second largest group, extending from 25.0% in 1999 to 37.0% in 2010. Democratic identifiers have been as high as 25.0% in 2007 to 17.0% in 2005. Most recently, the Independents have been the largest group (37.0%) followed by Republicans (33.0%) and Democrats (21.0%). In addition, during this period, most Idahoans have regarded themselves mainly as conservative or “middle of the road” (Boise State University 2001–2008). Most recently, almost 45.9% answered very or somewhat conservative; 31.0%, middle of the road; and 19.6%, somewhat or very liberal (Boise State University 2011, 31).

The Republican Party has maintained its dominance in Idaho politics. After the 2010 election, it held all four Idaho seats in the Congress and all seven state elective executive offices (Secretary of State 2010a). As noted in Table 1, Republican governors have served consecutively since 1994. In the state legislature, the GOP (“Grand Old Party”) kept its 28-7 edge in the senate and added five more seats to its already large margin in the House of Representatives (Secretary of State 2010b). Of the 35 senate seats, 16 seats, or 46.0%, were uncontested, and the Republicans won all of them. Twenty-nine, or 41%, of the races for the 70 house seats were uncontested, and the GOP captured 27% or 93.0% of them (Secretary of State 2010b).

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

**Table 1:** Political Party Affiliations of Idaho’s Governors and Legislatures, 1993–2011.

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: October 2011, 110.

### 3 Idaho's Budgeting Process

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

### 4 Idaho's Economy

In January of 2011, the governor's Division of Financial Management (DFM) referred to the "small steps [the state was taking] toward recovery in 2011" (Division of Financial Management 2011a, p. 14). As noted in Table 2, it forecasted improvements in Idaho's economy. Personal income and total non-farm employment personal income, expressed in current dollars, were to gain by 4.4 and 4.5%, respectively, in 2012. These increases were better than those predicted for 2011 in Idaho and 2012 in the US economy overall.

Job outlooks for some sectors were favorable. Employment was to increase in computer and electronics manufacturing, logging and wood products, food processing, services, and trades after having experienced decreases in recent

Growth Rates	In 2009	In 2010	In 2011	In 2012
Personal Income, Current \$	(2.8)*	3.0*	3.1	4.4*
Personal Income Per Cap., Current \$	(4.3)*	1.7	1.6	2.5
Non-Farm Empl. Income, Current \$	(1.7)	2.5	3.1	4.5*
Total Non-farm Employment	(5.9)*	(1.3)	1.0	2.7*
Goods Producing	(17.6)*	(5.7)*	(0.4)*	4.7*
Computer/Electronics Mfg	(22.5)*	(4.6)	2.3	2.7*
Logging /Wood Products	(28.0)*	(3.5)*	4.2*	25.3*
Construction	(23.6)*	(10.3)	(4.1)	4.0*
Mining	(16.5)*	4.0	5.8*	2.3*
Food Processing	(1.1)	(1.7)*	0.9	2.6
Non-goods Producing	(3.5)*	(0.6)*	1.3*	2.4*
Services	(3.6)*	(0.2)*	2.3*	3.2*
Trades	(7.3)*	(1.3)*	1.5*	2.4*
State/Local Government	0.0*	(1.1)	(1.3)*	0.3
Federal Government	2.2	2.1	(3.0)	0.1*

**Table 2:** Percentage Growth Rates For Selected Idaho Economic Indicators, 2009–2012.

Source: State of Idaho, Office of the Governor, Division of Financial Management, Idaho Economic Forecast, Vol. XXXIII, No. 1 (January 2011), 33–43.

Note: Decreases are in parentheses. \*The state figure was either a larger increase or larger decrease than the corresponding figure for the national economy.

years. Computer and electronics manufacturing companies were diversifying their activities, acquiring firms, adding jobs, and getting involved in technological enterprises regarding solar power and other “green energy” ventures such as wind farms (Division of Financial Management 2011a, p. 15). The anticipated rebound in housing starts nationally was to boost opportunities in logging and wood products jobs. Food processing was becoming the state’s top employer in manufacturing (Division of Financial Management 2011a, p. 18). Services and trades were to provide four out of every five of the new jobs over the next few years, in part aided by the location of new call and “customer information” centers, Regence Blue Shield additions in northern Idaho, and a boost in retail operations (Division of Financial Management 2011a, pp. 14, 19). The prospects in mining were also positive. The forecasted improvements expected for 2012 for logging and wood products, mining, services and trades were better than for the national rates.

Outlooks for other sectors were less favorable. The recovery in construction jobs was to take longer (Division of Financial Management 2011a, pp. 16, 17). After job losses in recent years, opportunities were to increase by 4.0% in 2012. A major obstacle was the slow recovery in housing starts, which would not return to the 2007 number until 2014. The future for government jobs was another concern (Division of Financial Management 2011a, pp. 17, 18). Very minimal employment growth in state and local government during 2012 was to follow 2 years of reductions, which resulted in part from lower population growth, demand for services, and government revenues. Fewer people were moving to Idaho because of the economic downturn, reduced job opportunities, and housing market woes. Job prospects were diminishing in the federal government now that the census was completed. Finally, the number of jobs in printing and chemical manufacturing was to drop (Division of Financial Management 2011a, p. 18).

Lastly, at the time that the governor submitted his budget, approximately 72,000 people were out of work in Idaho (Department of Labor 2011). The state’s unemployment rate, adjusted on a seasonal basis, increased to 9.5%. This figure was 0.1 of a percentage point higher than the one for the previous month and 0.4 of a point higher than the number a year ago. The continuing rise in Idaho’s rate contrasted with the slight decrease in the national rate. Typically, the state’s rate has been smaller than the rate for the US economy overall. During December, unemployed people received a total of \$52.0 million in benefits.

## 5 General Fund Revenues

The major contributors to Idaho’s General Fund revenues have been tax collections on individual and corporate incomes and sales. Receipts from product taxes

and miscellaneous sources have provided the remainder. As noted in Table 3, monies from the individual income tax and sales tax comprised almost 89.0% of the total General Fund amount (Division of Financial Management 2011b, p. 25).

The General Fund revenue forecast for FY 2012 was more optimistic than for the previous year. Relative to the updated figures for FY 2011, General Fund total collections and individual income tax monies were to increase by 6.9%. The boost in receipts from the corporate income tax and sales tax was to be 10.6% and 8.2%, respectively. However, when the figures for FY 2012 were compared with the actual amounts for FY 2008 just before revenues dropped, the message was more sobering. Collections for the total were down by 13.3%, for the individual income tax by 15.7%, for the corporate income tax by 28.1%, and for the sales tax by 8.6%. Therefore, while revenue collections for Idaho's General Fund appeared to be improving gradually, they were still far below the earlier benchmark.

## 6 The Governor's Budget

In his January 2011 State of the State/Budget address to the legislature and public, Governor C.L. "Butch" Otter identified two major tasks: "responsibly balancing [the state's] budget" and "improving Idaho's economy" (Office of the Governor 2011). Instead of "digging deeper into taxpayers' pockets", he emphasized personal responsibility, family, community, local support systems, and partner-

Fiscal Year	Income Taxes							
	Total		Individual		Corporate		Sales Tax	
	\$	%	\$	%	\$	%	\$	%
2008 Actual	2907.8	3.4	1429.7	2.1	189.3	(0.5)	1141.4	5.9
2009 Actual	2465.6	(15.2)	1167.9	(18.3)	141.0	(25.5)	1022.2	(10.4)
2010 Actual	2264.5	(8.2)	1061.9	(9.1)	97.0	(31.2)	955.9	(6.5)
2011 Forecast 1/10	2432.9	7.4	1170.6	10.2	132.7	36.8	988.7	3.4
Forecast 1/11	2359.2	4.2	1127.0	6.1	123.1	26.9	965.1	1.0
2012								
Forecast 1/11	2521.5	6.9	1204.6	6.9	136.2	10.6	1043.8	8.2

**Table 3:** Idaho General Fund Revenues, 2008–2012 (\$ in millions).

Sources: State of Idaho, Office of the Governor, Division of Financial Management, General Fund Revenue Book [for] FY 2011, January 2010, 27 and General Fund Revenue Book [for] FY 2012, January 2011, 25.

Note: Percentages are the differences from the previous fiscal year. Decreases are indicated in parentheses.

ships and that it was “time to become family again”. He reported that his General Fund budget for FY 2012 was based on a 3.0% increase in revenues (Office of the Governor 2011). Because the state would lose \$190 million from its reserve accounts and federal stimulus monies, he recommended spending reductions of over 2% for some state agencies and invited agencies to suggest how to eliminate programs that were not part of their constitutional or statutory responsibilities.

For FY 2012, the governor submitted a total spending plan of \$6051.4 million, which was \$284.4 million less than the All Funds total requested by state agencies and offices (Budget and Policy Analysis 2011a, pp. 12, 13). This amount included \$2568.0 million in the General Fund, \$1192.4 million from dedicated monies, and \$2291.0 million in federal funding. Compared to the total amount requested, he recommended \$233.7 million less for the General Fund, \$8.99 million less for dedicated sources, and \$41.7 million less for federal funds.

When compared with the original FY 2011 appropriation, the All Funds spending was to increase by 6.1%, General Fund expenditures by 7.7%, dedicated fund spending by 7.3%, and federal spending by 3.8%. Approximately 97% of the governor’s budget was to support ongoing expenditures with the remainder for one-time expenses. His total budget set aside about 20% for personnel, 12% for operating expenses, 6% for capital costs, 36% for trustee and benefit payments, and 26% for lump sums (Budget and Policy Analysis 2011a, p. 13).

As noted in Table 4, the governor recommended General Fund decreases in 19 budgets. Most of the decreases were <5.0%. For the one exception, the labor department, Otter’s budget called for a 16.8% cut by shifting some expenses to dedicated funding sources (Budget and Policy Analysis 2011a, pp. 5–41). It endorsed increases for 15 programs. The largest proposed gains were 49.4% for Medicaid, 24.6% for the medically indigent healthcare fund, 20.7% for the state police, and 12.5% for revenue and taxation. The governor proposed virtually no change for the agricultural research and extension service, professional/technical education, and the state controller’s office.

In the All Funds budget, Otter proposed increases for 25 budgets. They ranged from very minimal increases for profession/technical education and water resources to gains of over 20% for the office of the state board of education, medically indigent health fund, insurance, labor, and the office of the treasurer. His recommended amounts for 17 budgets were essentially reductions. They were <1% for fish and game, industrial commission, and the lieutenant governor and much larger for environmental quality, the office of the secretary of state, and the independent living council. Regarding the agricultural research and extension service and the controller’s office, the budget held their spending steady.



	Executive Budget			Legislative Appropriations		
	General Fund		All Funds	General Fund		All Funds
	\$	%	\$	\$	%	\$
<b>Education</b>						
Total	1,581,899,500	1.3	2,189,190,400	1,561,674,900	(0.0)	2,146,621,000 (0.0)
Public Schools	1,235,893,600	1.8	1,596,765,100	1,223,580,400	0.8	1,561,069,300 (1.3)
Ag. Res. and Ext.	22,559,000	0.0	22,609,000	22,559,000	0.0	22,609,000 0.0
Universities	214,670,600	(1.3)	401,714,800	209,828,300	(3.5)	396,707,600 5.0
Comm. Coll.	23,553,500	(1.7)	24,153,500	23,033,000	(3.9)	23,633,000 (5.6)
Bd of Educ. Ofc.	2,056,200	1.5	4,215,400	2,108,900	4.1	4,322,500 25.3
Health Educ.	10,226,900	2.7	10,936,400	10,000,900	0.4	10,710,400 0.8
Prof. Tech. Ed.	47,562,700	0.0	57,947,200	46,511,600	(2.2)	56,896,100 (1.7)
Public TV	1,333,200	(4.1)	2,259,400	1,377,000	(0.1)	2,303,200 (4.6)
Special Progs	9,684,700	11.4	10,403,400	8,634,300	(0.6)	10,353,000 13.0
Supt. Pub. Inst.	7,410,100	13.0	34,750,200	7,246,300	10.5	34,586,400 2.8
Vocation. Reh.	6,949,000	(3.5)	23,436,000	6,795,200	(5.6)	23,430,500 1.1
<b>Health and Human Services</b>						
Total	614,158,800	32.6	2,283,656,900	592,052,500	27.9	2,267,840,300 11.8
Med. Ind. Hlth	22,770,900	24.6	22,770,900	19,267,700	5.5	22,357,700 22.4
HW, Non-med.	137,730,800	(0.3)	439,964,800	128,683,800	(6.8)	429,150,900 (3.6)
HW, Medicaid	445,535,600	49.4	1,812,655,000	436,159,000	46.2	1,807,488,600 16.2
ILC	99,100	(2.8)	243,800	96,900	(5.0)	748,000 (24.2)
Hlth Districts	8,022,400	(3.6)	8,022,400	7,845,100	(5.7)	8,095,100 (8.2)
<b>Public Safety</b>						
Total	231,891,000	4.4	326,864,900	237,267,800	6.9	341,787,300 6.0
Adult Correct	156,010,900	5.5	175,854,400	157,367,900	6.4	183,010,100 8.4
Judiciary	27,651,900	(0.1)	43,041,900	29,246,700	5.7	48,289,600 11.8
Juv. Correct.	31,731,500	(3.4)	43,081,100	35,763,500	8.9	47,113,100 6.6
State Police	16,496,700	20.7	64,887,500	14,889,700	9.0	63,374,500 (4.3)

(Table 4 continued)

	Executive Budget			Legislative Appropriations		
	General Fund		All Funds	General Fund		All Funds
	\$	%	\$	\$	%	\$
<b>Natural Resources</b>						
Total	29,599,400	(3.1)	236,631,100	29,656,000	(3.0)	239,422,000 (2.6)
Env. Quality	13,624,600	(4.6)	61,767,400	13,799,400	(3.4)	61,455,500 (11.8)
Fish and Game	0	na	77,210,500	0	na	77,210,500 (0.9)
Lands	4,010,000	(2.3)	44,352,700	3,921,400	(4.5)	44,329,500 (2.1)
Parks and Rec.	1,338,100	(4.1)	33,217,400	1,308,500	(6.2)	36,323,400 10.5
Wtr Resources	10,626,700	(1.4)	20,083,100	10,626,700	(1.4)	20,103,100 0.2
<b>Economic Development</b>						
Total	22,697,200	2.3	694,918,000	21,518,600	(3.0)	746,149,800 12.7
Agriculture	9,669,300	8.0	38,058,500	8,733,800	(2.5)	39,392,600 5.8
Commerce	3,995,600	(3.6)	29,857,700	3,931,300	(5.1)	29,540,900 2.3
Finance	0	na	6,102,800	0	na	6,102,800 9.7
Indus. Comm.	0	na	16,936,200	0	na	16,936,200 (0.4)
Insurance	0	na	10,012,500	0	na	8,012,500 12.1
Labor	584,100	(16.8)	6,716,300	571,200	(18.7)	4,411,900 9.6
PUC	0	na	5,090,500	0	na	5,090,500 (1.0)
Sif-gov. Agen.	8,448,200	0.9	74,310,600	8,282,300	(1.1)	74,180,700 1.6
Transportation	0	na	507,832,900	0	na	562,481,700 16.3
<b>General Government</b>						
Total	87,787,000	4.1	320,200,900	86,790,800	2.9	296,322,500 0.0
Administration	6,865,700	(1.2)	58,039,800	6,565,700	(5.5)	53,364,400 (11.7)
BF Adv. Coun	0	na	25,245,400	0	na	21,245,400 (7.6)
Attorney Gen.	15,610,700	(1.1)	17,904,800	15,610,700	(1.1)	17,937,900 2.2
Controller	5,998,200	0.0	14,022,200	5,879,200	(2.0)	13,903,200 (0.9)

(Table 4 continued)

	Executive Budget				Legislative Appropriations			
	General Fund		All Funds		General Fund		All Funds	
	\$	%	\$	%	\$	%	\$	%
Ofc. of Govnr.	15,490,100	2.0	144,116,900	11.7	15,760,800	3.8	136,815,600	6.0
Legislature	10,764,200	1.2	12,227,200	(5.3)	10,657,800	0.2	12,120,800	(6.1)
Lt Governor	134,300	(0.9)	134,300	(0.9)	134,300	(0.9)	134,300	(0.9)
Rev. and Tax.	29,681,100	12.5	36,019,200	10.5	29,034,700	10.0	35,413,700	8.6
Sec. Of State	1,878,300	1.0	1,878,300	(15.7)	1,838,300	(1.1)	1,838,300	(17.5)
State Treasurer	1,364,400	(1.0)	10,612,800	143.0	1,309,300	(5.0)	3,548,900	(18.7)
Statewide Total	2,568,032,900	7.7	6,051,462,200	6.1	2,528,960,600	6.1	6,038,142,900	5.9

**Table 4:** The Governor's Budget and Legislature's Appropriations, FY 2012.

Source: State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho 2011 Legislative Fiscal Report for Fiscal Year 2012, 21.

Note: The percentages are the changes relative to the FY 2011 original appropriation amounts. The numbers in parentheses are decreases.

Following past practices in the literature (e.g., Sharkansky 1968), we examined the governor's recommendations using two measures to represent his support. The first indicator was Otter's support for budget requests: his recommendation for a request as a percentage of the amount requested. The second measure was his support for growth: his proposed amount for FY 2012 as a percentage of the appropriated figure for FY 2011. The independent variables were the dollar magnitude of the request (size) and the percentage increase sought in the request (acquisitiveness). Regarding support for General Fund spending, we excluded all budgets that received no General Fund money and the legislative and judicial branches. Idaho statute has prescribed that the governor report the requests as prepared by the two branches and submitted to his budget office (Budget and Policy Analysis 2011a, pp. 6–99). When we analyzed Otter's recommendations for All Funds spending, we added back in the non-General Fund budgets.

As reported in Table 5, the governor's General Fund support for requests and support for growth were not related significantly with the size of the requested amounts. While he was more likely to make larger cuts in the more acquisitive requests, he did not endorse greater growth for them. Moreover, the relationship between his support for General Fund requests and growth was weak and not significant. The governor's support for All Funds requests was related very weakly and not significantly with size or acquisitiveness. Also, he did not endorse greater growth based on budget size. However, Otter did call for greater growth for more acquisitive requests and, to a lesser degree, requests he supported more.

## 7 The Legislature's Decisions for FY 2012

At the start of its 2011 session, the legislature's Joint Economic Outlook and Revenue Assessment Committee (JEOARC), with 16 Republicans and four

	General Fund			All Funds		
	n	r	Signif.	n	r	Signif.
Governor's Support for Requests						
Size	35	0.16	0.364	42	0.12	0.455
Acquisitiveness	35	-0.87	0.000*	42	-0.19	0.231
Governor's Support for Growth						
Size	35	0.23	0.176	42	0.01	0.957
Acquisitiveness	35	0.07	0.673	42	0.78	0.000*
Support for Requests	35	0.11	0.550	42	0.45	0.003*

**Table 5:** Correlations for Governor's Support for Requests and Support for Growth, FY 2012.

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

Democrats, examined the state's economy and revenues and heard from economists in the tax commission, universities, and taxpayers association along with the DFM's chief economist (JLEORAC 2011). The committee members and economists submitted General Fund revenue estimates for FY 2012 that ranged from \$2347.0 million to \$2704.1 million. The committee members' median figure was \$2422.5 million. In its report to the leadership of the legislature and the influential Joint Finance-Appropriations Committee (JFAC), the committee recommended a figure of \$2430.0 million for approving on appropriations.

For FY 2012, the legislature appropriated an All Funds total of \$6038.1 million (Budget and Policy Analysis 2011b, p. 21). This figure consisted of \$2529.0 million for the General Fund, \$1204.3 million in dedicated funds, and \$2304.9 million from federal funds. Compared to the overall amount requested, the legislature's All Funds figure was \$297.8 million less, and its General Fund number was \$272.8 million less. Their totals were below the governor's budget recommendations by \$13.3 million in All Funds and \$39.1 million in the General Fund (Budget and Policy Analysis 2011b, 28, 29). Of the All Funds amount, approximately 13.25% was for personnel; 10%, operating; 6.5%, capital; 37%, trustee and benefit payments; and 34%, lump sums. Ninety-seven and a half percent was to cover ongoing expenditures with the remainder going to fund one-time expenses (Budget and Policy Analysis 2011b, 20).

As noted in Table 4, relative to the FY 2011 appropriation amounts for the six functional categories, lawmakers increased the General Fund amounts for health and human services, public safety and general government. They reduced the figures for natural resources and economic development and held almost steady the amount for education. Regarding All Funds spending, they added monies for health and human services, public safety, and economic development. They lowered the amount for natural resources and basically approved the same figures for education and general government.

Of the 37 General Fund individual budgets, the legislature increased the spending in 13. The increases ranged from <1% for the public schools, health education programs, and the legislature to over 46% for Medicaid. It decreased the General Fund figures of 23 other budgets. The reductions extended from below 1% for public education television, education's special programs, and the lieutenant governor's office to 18.7% for labor. The legislature kept constant the appropriation amount for the agricultural research and extension service. It granted higher All Funds appropriation amounts for 23 of the 44 budgets. The increases ranged from <1% for health education and water resources to over 20% for the state board of education office and the medically indigent health program. It approved lower appropriation figures for 20 budgets and held steady the amount for the agricultural research and extension service.

Similar to our analysis of the governor’s budget, we examined whether the legislature’s support for requests (its appropriation amounts as percentages of the requested amounts) and support for growth (its FY 2012 appropriations amounts as percentages of the original FY 2011 appropriation figures) were related with size and acquisitiveness. Regarding the General Fund, we excluded all budgets that had no monies from that fund. In addition, we considered whether the legislature’s support was related with the governor’s support.

As reported in Table 6, lawmakers made larger cuts in the more acquisitive requests although it did not approve larger growth for them. In addition, their support for requests and support for growth were not related significantly with size. Moreover, the relationships for legislative support for requests and support for growth were not significant. Finally, the legislature provided greater support for the requests that the governor supported more. While gubernatorial and legislative supports for growth in General Fund budgets were related, the relationship was weaker and less significant regarding All Funds budget increases.

## 8 Potential Impacts

The first potential impact was on “appropriation shares”. These shares were based on the “fair share” concept in the budgeting literature (Wildavsky and Caiden 1997, 46). They were the portions of the statewide total General Fund and All Funds amounts that were appropriated by the legislature. They possibly indicated the relative importance of different functions, departments, and programs.

	General Fund			All Funds		
	n	r	Signif.	n	r	Signif.
Legislature’s Support for Requests						
Size	37	0.15	0.385	44	0.15	0.327
Acquisitiveness	37	-0.86	0.000*	44	-0.87	0.000*
Governor’s Support for Requests	35	0.98	0.000*	42	0.45	0.002*
Legislature’s Support for Growth						
Size	37	0.28	0.099	44	0.19	0.210
Acquisitiveness	37	0.00	0.986	44	0.01	0.671
Legislature’s Support for Requests	37	0.20	0.229	44	0.36	0.017
Governor’s Support for Growth	35	0.88	0.000*	42	0.20	0.196

**Table 6:** Correlations for The Legislature’s Support for Requests and Support for Growth, FY 2012.

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

Changes in them could reflect an increase or decrease in importance. When appropriation share was used as an indicator of success, Medicaid was a winner.

As noted in Table 7, education and health and human services combined to consume 85.2% of the FY 2012 General Fund amount and 73.2% of the All Funds figure appropriated by the legislature. Of the remaining monies, public safety had the largest General Fund share, and economic development had the biggest All Funds portion. When compared to FY 2011, the increases in health and human services shares and the decreases in education's portions were the largest changes. The General Fund shares for the other functional areas either changed by 0.1 of a point or did not change. The All Funds portions remained steady or varied by no more than 0.8 of a point.

For the individual expenditures reported in Table 7, the General Fund shares of public school support and Medicaid together represented 65.6% of the General Fund total approved by the legislature. They also combined for 55.8% of the All Funds total amount. Relative to FY 2011 General Fund portions, only Medicaid's share increased and that was by 4.7 percentage points. The portions for public schools, universities, and non-Medicaid spending of health and welfare shrunk.

	General Fund			All Funds		
	FY 2011	FY 2012	Change	FY2011	FY 2012	Change
<b>Functional Totals</b>						
Education	65.5	61.8	(3.7)	37.7	35.6	(2.1)
Hlth and Hum. Svcs	19.4	23.4	4.0	35.6	37.6	2.0
Public Safety	9.3	9.4	0.1	5.7	5.7	0.0
Nat. Resources	1.3	1.2	(0.1)	4.3	3.9	(0.4)
Econ. Develop.	0.9	0.9	0.0	11.6	12.4	0.8
General Govt	3.5	3.4	(0.1)	5.2	4.9	(0.3)
<b>Major Individual Expenditures</b>						
Public Schools	50.9	48.4	(2.5)	27.7	25.9	(1.8)
Universities	9.1	8.3	(0.8)	6.6	6.6	0.0
HW (Non-med.)	5.8	5.1	(0.7)	7.8	7.1	(0.7)
HW (Medicaid)	12.5	17.2	4.7	27.3	29.9	2.6
Adult Corrections	6.2	6.2	0.0	3.0	3.0	0.0
Juv. Corrections	1.4	1.4	0.0	0.8	0.8	0.0
Transportation	na	na	na	8.5	9.3	0.8

**Table 7:** Original Appropriations Shares, FY 2011 and FY 2012.

Source: The shares were calculated using figures from State of Idaho, Legislative Services Office, Budget and Policy Analysis, Idaho 2010 Legislative Fiscal Report for Fiscal Year 2011, 26, 27 and Idaho 2011 Legislative Fiscal Report for Fiscal Year 2012, 28, 29.

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

The shares for the two correctional departments remained the same. Regarding All Funds shares, Medicaid's portion increased by 2.6 points, and transportation's, by 0.8 of a point. The portions for the universities and two correctional departments did not change while those for public schools and health and welfare's non-Medicaid activities declined.

As noted in Table 8, the legislature's General Fund shares for FY 2012 were related strongly and significantly with its FY 2011 shares and with Otter's FY 2012 budget shares. The legislature's All Funds shares also were related strongly and significantly with the portions it approved for FY 2011 and the governor's budget recommended for FY 2012. The differences in the number of cases was because when we examined the relationships between the legislature's and the budget's shares, we left out the judicial and legislative branches because of the statutory provision that Idaho governors were only to report the amounts in these requests that are prepared and submitted by the two branches. This provision did not apply to the legislature. In any event, the appropriation decisions made by the legislature during the 2011 session for FY 2012 did not change the General Fund and All Funds shares in any major, noticeable way.

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

As indicated in Table 9, when viewed in terms of the FY 2009 numbers, the legislature's FY 2012 appropriation figures were less for the statewide total, all functional totals, and 33 of the 37 individual expenditures. The only spending levels to exceed their FY 2009 amounts were those for health education, Medicaid, self-governing agencies, and revenue and taxation. Self-governing agencies benefited when the state libraries commission and historical society were transferred to it from education (Budget and Policy Analysis 2009, pp. 5–49, 5–50). Without those transfers, self-governing agencies' appropriation would have been 11% below its FY 2009 amount.

Legislature's FY 2012 Appropriations Shares	General Fund			All Funds		
	n	r	Signif.	n	r	Signif.
Legislature's FY 2011 Shares	37	0.994	0.000*	44	0.996	0.000*
FY 2012 Budget Shares	35	1.000	0.000*	42	1.000	0.000*

**Table 8:** Correlations for the Legislature's FY 2012 Appropriations Shares.

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



	<u>FY 2011</u>	<u>FY 2012</u>
	<u>Appropriations</u>	<u>Appropriations</u>
Statewide General Fund Total	(19.4)	(14.5)
Education Total	(16.9)	(16.9)
Public School Support	(14.4)	(13.7)
Agric. Research/Extension Service	(20.1)	(20.1)
Universities and College	(23.7)	(26.4)
Community Colleges	(19.2)	(22.4)
State Board of Education	(60.5)	(58.9)
Health Education Programs	5.3	5.7
Professional – Technical Education	(13.3)	(15.3)
Public Educational Television	(60.6)	(61.0)
Special Programs	(28.9)	(29.4)
Supt Of Public Instruction	(10.3)	(0.9)
Vocational Rehabilitation	(15.5)	(20.3)
Health and Human Services Total	(25.2)	(4.3)
Medically Indigent Healthcare	(12.0)	(7.2)
Health/Welfare, non-Medicaid	(25.3)	(30.4)
Health/Welfare, Medicaid	(25.9)	8.4
Independent Living Council	(21.0)	(24.9)
Public Health Districts	(23.0)	(27.4)
Public Safety Total	(18.5)	(12.9)
Adult Correction	(16.0)	(10.5)
Judicial Branch	(13.2)	(8.2)
Juvenile Corrections	(17.9)	(10.7)
Idaho State Police	(44.3)	(39.3)
Natural Resources Functional Total	(45.3)	(46.9)
Environmental Quality	(27.2)	(29.7)
Lands	(26.6)	(29.9)
Parks and Recreation	(91.3)	(91.9)
Water Resources	(26.1)	(27.2)
Economic Development Total	(29.1)	(31.2)
Agriculture	(47.5)	(48.8)
Commerce	(55.0)	(57.3)
Labor	(9.3)	(26.2)
Self-governing Agencies	96.6	94.5
General Government Total	(17.3)	(14.9)
Administration	(20.8)	(25.8)
Attorney General	(17.9)	(18.8)
Controller	(16.6)	(18.3)
Office of the Governor	(25.2)	(22.4)
Legislative Branch	(17.3)	(17.1)
Lieutenant Governor	(16.7)	(17.4)
Revenue and Taxation	(9.0)	0.1

(Table 9 continued)

	<u>FY 2011</u> <u>Appropriations</u>	<u>FY 2012</u> <u>Appropriations</u>
Secretary of State	(33.4)	(34.1)
Treasurer	(19.4)	(23.4)

**Table 9:** FY 2012 Appropriations and FY 2011 Appropriations Relative to FY 2009 Original Appropriations, General Fund Only.

Source: State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis, Idaho Legislative Fiscal Report for Fiscal Years 2009 and 2012.

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

When compared to the gaps involving FY 2012 and FY 2011 appropriations relative to the FY 2009 amounts, some budgets seemed to make progress. The negative differences for the statewide total and for health and human services, public safety, and general government for FY 2012 were not as large as they were for FY 2011. This pattern applied to 10 of the individual expenditures: three education budgets (public school support, the state board of education, and state superintendent of public instruction), medically indigent healthcare, the four public safety budgets, the office of the governor, and the legislature. However, the amounts appropriated for natural resources, economic development, and 22 individual expenditures dropped below the figures for FY 2011. The difference in the figures for the education total and agricultural research and extension service held steady. Overall, progress to return to the earlier amounts varied.

The difference between the statewide General Fund original appropriation amounts for FY 2009 and FY 2012 was \$430.3 million. As noted in Table 10, the gaps for the functional totals varied from \$9.8 million for economic development to \$317.1 million for education. The amounts also differed for the individual expenditures. The lowest figure was for the office of the lieutenant governor (\$28,300), and the highest was for public school support (\$194,962,300).

If, in the future, Idaho wanted to restore spending to the original FY 2009 appropriation levels, the legislature needed to increase the General Fund total by 17.0% above the FY 2012 figure. The last time Idaho's lawmakers approved an increase near that magnitude was in 1994 for FY 1995, and that increase was for 16.6% (Budget and Policy Analysis 1994, 13). For the six functions, the required increases extended from 4.5% for health and human services to 88.4% for natural resources. Regarding the individual expenditures, the necessary

	Amount Needed (\$)	% Increase Needed
Statewide Total	430,322,800	17.0
Education Total	317,124,300	20.3
Public School Support	194,962,300	15.9
Agric. Research/Extension Service	5,690,200	25.2
Universities and College	75,323,200	35.9
Community Colleges	6,633,400	28.8
State Board of Education	3,018,100	143.1
Health Education Programs	Exceeds FY 2009 amount	Exceeds FY 2009 amount
Professional – Technical Education	8,387,800	18.0
Public Educational Television	2,153,300	156.4
Special Programs	3,588,300	41.6
Supt. Of Public Instruction	62,800	0.9
Vocational Rehabilitation	1,725,700	25.4
Health and Human Services Total	26,921,500	4.5
Medically Indigent Healthcare	1,500,000	7.8
Health/Welfare, non-Medicaid	56,101,300	43.6
Health/Welfare, Medicaid	Exceeds FY 2009 amount	Exceeds FY 2009 amount
Independent Living Council	32,200	33.2
Public Health Districts	2,954,200	37.7
Public Safety Total	35,068,700	14.8
Adult Correction	18,547,300	11.8
Judicial Branch	2,615,800	8.9
Juvenile Corrections	4,265,800	11.9
Idaho State Police	9,639,800	64.7
Natural Resources Total	26,219,300	88.4
Environmental Quality	5,825,600	42.2
Lands	1,669,400	42.6
Parks and Recreation	14,763,500	1128.3
Water Resources	3,960,800	37.3
Economic Development Total	9,760,300	45.4
Agriculture	8,312,700	95.2
Commerce	5,267,900	140.0
Labor	203,200	35.6
Self-governing Agencies	Exceeds FY 2009 amount	Exceeds FY 2009 amount
General Government Total	15,228,700	17.5
Administration	2,209,800	33.7
Attorney General	3,604,900	23.1
Controller	1,317,700	22.4
Office of the Governor	4,537,800	28.8
Legislative Branch	2,199,100	20.6
Lieutenant Governor	28,300	21.1
Revenue and Taxation	Exceeds FY 2009 amount	Exceeds FY 2009 amount
Secretary of State	953,300	51.9
Treasurer	401,000	30.6

**Table 10:** To Close the Gap in General Fund Spending Levels in FY 2009 and FY 2012 Original Appropriation Amounts.

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

increases also varied. It was <10.0% for the superintendent of public instruction, medically indigent healthcare, and judicial branch and below 20.0% for public school support, professional – technical education, and the two corrections departments. However, for the 26 other budgets, the increases that were needed exceeded 20%, including 140.0% for commerce, 143.1% for the state board of education, 156.4% for the public education television, and 1128.3% for parks and recreation. Of course, the amounts necessary for these increases referred to the nominal dollar amounts needed, not the figures adjusted for inflation since 2008.

## 9 Summary

Has Idaho made progress? The answer is mixed. First, according to the governor's DFM, the state's economy was recovering slowly from the recession. While prospects for new jobs were more favorable for some sectors, they were less optimistic for other sectors. In addition, the state's unemployment rate was above 9% and creeping higher.

Second, although the DFM expected General Fund revenues for FY 2012 to be better than the collections for FY 2011, they were still well below the amounts received before Idaho's revenue problems began. In addition, if the state did experience revenue woes in the near future, its reserves were low. From the end of June 2011, when FY 2012 began, state officials estimated Idaho would have \$11.1 million in Idaho's three primary reserve accounts combined, an additional \$32.6 million in the tobacco settlement fund, and \$0.6 million in smaller emergency funds (Budget and Policy Analysis 2011a, p. 33).

Third, the General Fund and All Funds appropriations shares for health and human services have increased while corresponding decreases in education's portions. At the individual budget level, the shares for Medicaid have grown, and the ones for public school support, universities, and the non-Medicaid spending in health and welfare have shrunk or held steady.

Finally, in terms of their differences relative to their FY 2009 original appropriation amounts, the FY 2012 appropriations for the statewide total, three of the six functional categories (health and human services, public safety, and general government), and 10 of the 37 individual budgets were not as large as they were for FY 2011 appropriations. However, the gaps involving natural resources, economic development, and 22 individual budgets increased.

## References

- Boise State University, College of Social Sciences and Public Affairs, Public Policy Center (2001–2008). Idaho Public Surveys, Reports 13–19.
- Boise State University, College of Social Sciences and Public Affairs, Public Policy Center (2011). 20th Idaho Public Policy Survey- Statewide Results.
- Kinney, Dick (2010a). “Economic Stress, Revenue Shortfalls, and Budget Reductions Continue in Idaho.” Western States Budget 2009: Roundtable: State Budgeting in the Western States, Western Political Science Association Annual Meeting, published January, 2010, ID-1–ID-16.
- Kinney, Dick (2010b). “And the Cuts Just Keep on Coming: Idaho State Budgeting in 2009 and 2010.” Western States Budget 2010: Roundtable: State Budgeting in the Western States, Western Political Science Association Annual Meeting, published August, 2010, ID-1–ID-21.
- Sharkansky, Ira (1968). “Agency Requests, Gubernatorial Support and Budget Success in State Legislatures,” *American Political Science Review*, 62:1220–1231.
- State of Idaho, Department of Labor (2011). “Press Release: Idaho Jobless Rate Rises for Fifth Straight Month, Exceeds National Rate.” January 7, 2011.
- State of Idaho, Legislature, Joint Legislative Economic Outlook and Revenue Assessment Committee (JLEORAC) (2011). “Committee Report [for] Fiscal Years 2011 and 2012,” January 13, 2011.
- State of Idaho, Legislature, Legislative Services Office (no date). Legislative Directory for the 2001, 2003, 2004, 2005, 2007, 2008, 2009, and 2010 sessions.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (1994). Idaho 1994 Legislative Fiscal Report for Fiscal Year 1995.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (2008). Idaho 2008 Legislative Fiscal Report for Fiscal Year 2009.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (2009). Idaho 2009 Legislative Fiscal Report for Fiscal Year 2010.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (2010). Idaho 2010 Legislative Fiscal Report for Fiscal Year 2011.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (2011a). Idaho Legislative Budget Book for Fiscal Year 2012.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (2011b). Idaho 2011 Legislative Fiscal Report for Fiscal Year 2012.
- State of Idaho, Legislature, Legislative Services Office, Budget and Policy Analysis (2011c). 2011 Idaho Fiscal Facts: A Legislator’s Handbook of Facts, Figures, & Trends.
- State of Idaho, Office of the Governor, Division of Financial Management (2010a). “General Fund Revenue Book [for] FY 2011 Executive Budget,” January 2010.
- State of Idaho, Office of the Governor, Division of Financial Management (2010b). “General Election Results Statewide Totals.” November 2, 2010
- State of Idaho, Office of the Governor, Division of Financial Management (2010c). “General Election Results Legislative Totals.” November 2.
- State of Idaho, Office of the Governor (2011a). “2011 State of the State and Budget Address. Monday,” January 10, 2011.

- State of Idaho, Office of the Governor, Division of Financial Management (2011b). "Idaho Economic Forecast, Vol. XXXIII," No. 1 (January 2011).
- State of Idaho, Office of the Governor, Division of Financial Management (2011c). "General Fund Revenue Book [for] FY 2012 Executive Budget," January 2011. State of Idaho, Secretary of State, Election Division (2000). Idaho Blue Book: 1999–2000.
- Wildavsky, Aaron and Naomi Caiden (1997). "The New Politics of the Budgetary Process," 3rd ed. New York: Longman.