



State of Idaho

A Report to Our Citizens

Photo Courtesy of Idaho Tourism

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Governor Little's Vision

"My goal is to make Idaho a place where we all have the opportunity to thrive, where our children and grandchildren choose to stay, and for the ones who have left to choose to return."

- Governor Brad Little

Supporting Education

Governor Little's top priority is education and creating abundant opportunities for Idaho's children to thrive in school. Literacy has increased five-fold since 2019 through implementing full day Kindergarten, providing summer reading programs, and other methods. Teachers partnering with families in the education of children has had a profound impact on students' lives; and improved coordination between businesses, high schools, career technical education, and colleges and universities has resulted in more Idahoans connecting their education to a career.

Government Objectives

Promote a strong public education system, reduce regulations and clean up outdated laws, strengthen partnerships and friendships with foreign countries, improve connectivity and broadband infrastructure, combat opioid and substance misuse; reduce wildfire risk, improve forest health, and support jobs through additional, coordinated active land management projects; and gain efficiencies and improve customer service across the state.

Leading Idaho

"Leading Idaho" is Governor Little's current plan for Idaho introduced in his 2022 State of the State and Budget Address. Rooted in a long-standing conservative principle - fiscal discipline, Leading Idaho is a path to give back the record budget surplus to Idahoans through continued tax relief and strategic investments where they make the biggest difference in their daily lives.

For the first time in state history, Idaho was recently upgraded to a Triple-A credit rating, which will save taxpayer dollars and, importantly, reflects dedication to conservative, responsible budgeting. The Governor outlined highlights of this responsible budgeting in his recent address: paying off state building debt, saving taxpayers tens of millions of dollars in interest payments; paying off all known deferred maintenance needs, including those backlogged repairs needed in the state's infrastructure, over the next ten years; and bolstering the state's rainy-day funds to a record level, putting more than \$1 billion in the bank to guard against future downturns.

In relation to recent tax relief, the Governor relayed that nearly \$1 billion has been returned to Idahoans through income tax relief, property tax relief, and relief from unemployment taxes on Idaho businesses. To double down on those efforts, he proposed returning more than \$1 billion in income tax relief to Idaho tax payers over the next five years, including \$350 million in immediate rebates and \$250 million in ongoing income tax relief, allowing working families to keep more of what they earned and free from the penalty of living with historic inflation.

Demographic Information

Year	Population	Per Capita Income	Unemployment Rate	State Employees
2021	1,901,000	\$ 52,369	3.6%	23,546
2022	1,941,000	\$ 54,021	2.9%	23,277
Change	2.1%	3.2%	(0.7)%	(1.1)%

School Year	Public School Enrollment	Public Higher Education Enrollment
2020/2021	310,653	52,963
2021/2022	316,159	53,724
Change	1.8%	1.4%

Sources: October 2022 Idaho Economic Forecast, Office of the Idaho State Controller, Idaho Department of Labor, and Idaho State Board of Education.

Idaho's Progress

In Fiscal Year 2022

Photo Courtesy of Idaho Tourism

Idaho's Economy

Under Governor Little's leadership, the State's economy has continued to grow. According to the U.S. Bureau of Economic Analysis, the value of all goods produced in Idaho rose 12.1 percent from \$85.9 billion in 2020 to \$96.3 billion in 2021 (unadjusted for inflation). Growth in manufacturing; utilities; manufacturing; wholesale and retail trade; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; and arts, entertainment, recreation, accomodation and food services accounted for the majority of gross state product increase in 2021.

Idaho Gross State Product (dollars in millions)

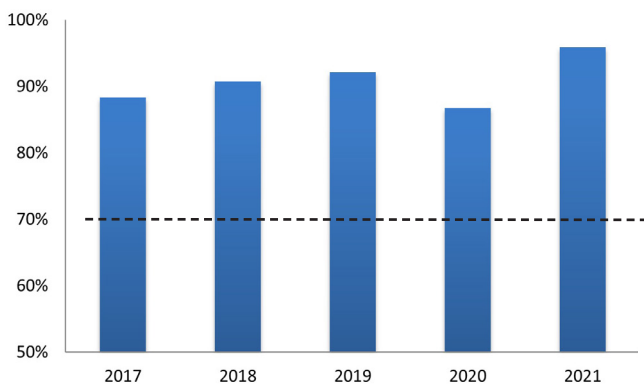
	2018	2019	2020	2021
Yearly Total	\$77,395	\$82,847	\$85,928	\$96,283

Transportation

In order to improve and maintain the State's system of roads and highways, the Legislature authorized the Idaho Transportation Board to issue GARVEE bonds. To date, \$946.9 million has been borrowed from issued bonds.

The graph below illustrates the pavement condition of the State's highways, which has an impact on the operating costs of passenger and commercial vehicles.

Percent of Pavement in Good or Fair Condition*



Target: Keep at least 70 percent of all state highways in good or fair condition.

*Information provided by the Idaho Transportation Department.

Natural Resources

	2020	2021
Air Quality Sites Monitored	34	34
Water Sites Monitored	0	265
Hatchery Fish Raised (in thousands)	29,700	28,948
Hunting and Fishing Licenses Sold	651,511	653,889
Forest Products Harvested (in million board feet)	247	302
Fires Responded to on IDL Land	257	408
Park Visitation (in thousands)	7,024	6,846
Recreational Registrations (in thousands)	N/A	312

Education

The table below shows the number and type of state-wide degrees awarded over the past three years.

Degrees Awarded

	2020	2021	2022
Associate	3,639	3,718	3,916
Bachelor's	7,724	7,621	7,499
Master's	2,040	1,991	2,150
Doctorate	381	469	521

Target: No state-wide target has been identified.

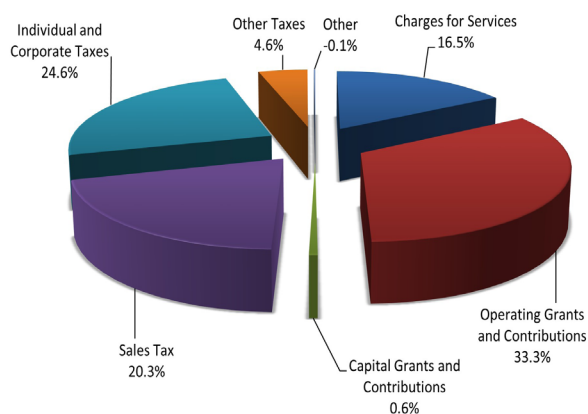
Idaho's Finances

Revenues and Expenses

Photo Courtesy of Idaho Tourism

Primary Government Revenues

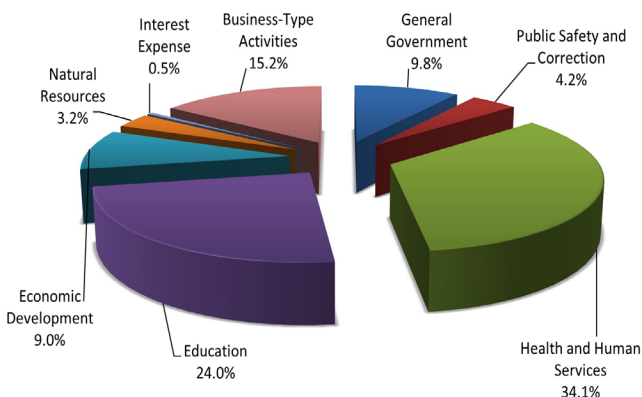
Fiscal Year 2022 Revenues by Source



Revenues By Source (dollars in thousands)	2021 Revenues	2022 Revenues	Change
Charges for Services	\$ 2,570,196	\$ 2,402,766	(6.5)%
Operating Grants and Contributions	6,365,283	4,852,727	(23.8)%
Capital Grants and Contributions	31,449	81,487	159.1%
Sales Tax	2,529,066	2,951,911	16.7%
Individual and Corporate Taxes	2,636,267	3,579,163	35.8%
Other Taxes	652,385	671,766	3.0%
Other	28,702	(20,297)	(170.7)%
Total Revenue	\$ 14,813,348	\$ 14,519,523	(2.0)%

Primary Government Expenses

Fiscal Year 2022 Expenses by Source



Expenses by Source (dollars in thousands)	2021 Expenses	2022 Expenses	Change
General Government	\$ 1,400,519	\$ 1,224,305	(12.6)%
Public Safety and Correction	518,530	530,618	2.3%
Health and Human Services	4,051,255	4,275,448	5.5%
Education	2,817,353	3,013,362	7.0%
Economic Development	1,144,246	1,130,795	(1.2)%
Natural Resources	364,495	407,123	11.7%
Interest Expense	44,117	60,241	36.5%
Business-Type Activities	2,389,177	1,898,200	(20.6)%
Total Expenses	\$ 12,729,692	\$ 12,540,092	(1.5)%

An independent audit of the State's financial statements (the Comprehensive Annual Financial Report) resulted in a clean audit opinion.



To view the Comprehensive Annual Financial Report, please visit the State Controller's website at www.sco.idaho.gov



What's Next?

Future Challenges and Economic Outlook

Photo Courtesy of Idaho Tourism

Future Challenges

Education

In his 2022 State of the State and Budget Address, the Governor proposed making the largest investment in Idaho education ever. In his budget, \$1.1 million would be allocated over the next five years to improve Idaho's education. He proposed adding \$47 million in ongoing funding to literacy programs, to build on the reading success that parents instill at home. Additionally, he proposed dedicating \$50 million for the new Empowering Parents grants, which cover things such as computers, tutoring, internet connectivity and other needs so students have the best chance for success.

Health Care

The Governor emphasized the importance of behavioral health in Idaho his 2022 address. He outlined the creation of the three-branch Behavioral Health Council, created in 2020 to protect Idahoans of all ages from the afflictions of mental illness and addiction. The Governor proposed accelerating the implementation of the council's recommendations by investing \$50 million to improve behavioral healthcare across Idaho - one step of many to help prevent tragedy, improve lives, and make Idaho's communities safer.

Idaho's Outlook

Economy

According to the October 2022 Economic Forecast, published by the Idaho Division of Financial Management, Idaho's nonfarm jobs and population are projected to grow three to four times as fast as the nation overall. The news on inflation in Idaho is less optimistic. Idaho may be experiencing the highest rates of inflation in the country; if Idaho's economy remains strong, even while the rest of the country slows down, inflation could well remain higher in Idaho for longer.

Employment

While personal income is up in the October 2022 Economic Forecast for 2022-2025, wages are lower across the same time horizon. These differences likely reflect the fact that labor force participation will increase as economic conditions worsen and force workers back into the labor market.

Housing Market

It is outlined in the October 2022 Economic Forecast that as housing markets in Idaho stabilize at substantially higher levels than in the last five years, it is expected that fewer people will move to Idaho for housing cost relief; however, migration into the state is still expected due to a relatively tight Idaho labor market.

Idaho's Economic Outlook

	2022	2023	2024	2025
Personal Income	\$ 104,848	\$ 111,323	\$ 119,006	\$126,878
Percentage Change	10.6%	7.6%	6.5%	7.6%
Wages	\$ 48,051	\$ 51,175	\$ 54,476	\$ 58,592
Population	1,940,875	1,969,872	1,997,162	2,028,559
Nonfarm Employment	829,085	849,597	871,377	895,826
Housing Starts	24,232	18,517	17,122	17,343



We want to hear from you. Do you like this report? What information would you like to see in next year's report? Your input is important to us. Please let us know by contacting: acfr@sco.idaho.gov

