

STATE OF
IDAHO
CITIZENS' REPORT



State Capitol Flags at Half-Mast in Memorial for Those That Lost Their Lives on September 11, 2001

FOR FISCAL YEAR ENDING
JUNE 30, 2001



A Message From J. D. Williams, State Controller

It is with pleasure that I present to you, the citizens of Idaho, the fourth annual Idaho Citizens' Report (also known as the Popular Annual Financial Report). This report provides an overview of the financial condition of the State of Idaho by presenting selected financial, economic, and demographic information in an easy-to-understand format.

On September 11, 2001, many Americans and citizens of the world lost their lives. Economists may total the financial impacts, but the human toll is our country's greatest and most heartfelt loss. Idaho's financial statements are dedicated to the families and the individuals who have suffered, and continue to suffer, from their loss. Our prayers are with our countrymen and those throughout the world that lost loved ones.

As Americans, we are proud of our heritage, our country, and our way of life. Not only our democratic, representative forms of government, but the rights and practices that go along with it. We treasure our freedom of speech and debate, as well as our support of tolerance and acceptance. Collectively, we have become more mindful of the values upon which America was founded, values that promote individual liberty and public virtue. These freedoms are not free, and it is with a deep sense of gratitude that we also dedicate this annual report to the men and women of the U.S. armed forces who are protecting freedom around the world.



Each year we choose a general theme for our Citizens' Report. That theme is reflected in the art and quotes that appear throughout this document. Prior to September 11, we selected technology as the general theme for our 2001 financial publications. We decided to retain that topic, yet throughout our documents complement that theme with visuals that reflect our love of our country and our memory of September 11.

Technology and its powerful impact on our lives today clearly validate the tremendous benefits of our American way of life. It truly is a major economical engine in Idaho. It is our free enterprise economic systems and our open and efficient capital markets that have enabled technology visionaries. The products these technology visionaries and their companies produce, make all American (and global) businesses more efficient and more productive. The success of these businesses in free market countries benefits all.

I hope you enjoy this report and find it informative and useful as we work together to make Idaho a stable, prosperous place to live.

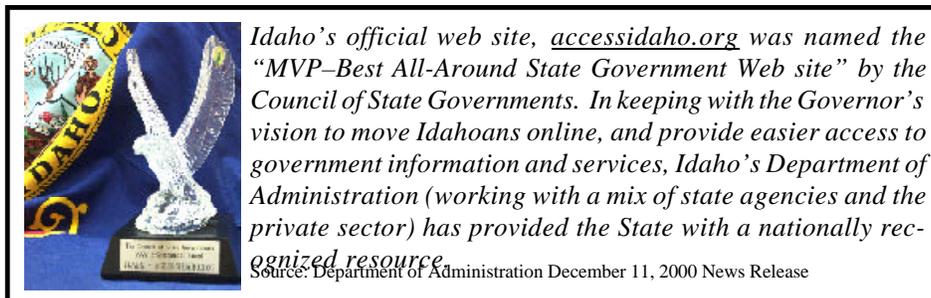
J.D. Williams
Idaho State Controller

Access Idaho



When Dirk Kempthorne was elected Idaho's Governor, his vision was to make the State's governmental services more accessible and customer oriented. Part of his vision was to meet this goal at minimal cost to the taxpayers, through the use of "e-government." E-government is governmental services provided through the use of the Internet. Idaho has answered this challenge by providing cost-effective, home-grown solutions. The Governor has taken the following actions to make his vision become reality:

- ◆ Created the Idaho Science and Technology Advisory Council. The Council was given the job of establishing a State strategic plan for science and technology.
- ◆ In April 2001, the Governor joined Idaho telecommunications officials in announcing a new enterprise that will provide Idaho's rural communities with broadband technology – the ability to move high-speed video, voice, and data at the same time over a single connection.
- ◆ The Governor recently awarded \$5 million to the University of Idaho and Idaho State University for the construction of a new science and technology center in Eastern Idaho (located at University Place in Idaho Falls).
- ◆ In keeping with the Governor's emphasis on cost-effective and customer-friendly service by the State to the citizens of Idaho, Access Idaho was created. Access Idaho is a single web site from which a large number of transactions with the state government may be handled. The Governor's instruction has been that the taxpayers should be online and not in line. Access Idaho gives many users of State services the ability to conduct business at their convenience, in a fraction of the time it takes to travel to a State building, stand in a line, and then conduct their business.



Idaho's official web site, accessidaho.org was named the "MVP–Best All-Around State Government Web site" by the Council of State Governments. In keeping with the Governor's vision to move Idahoans online, and provide easier access to government information and services, Idaho's Department of Administration (working with a mix of state agencies and the private sector) has provided the State with a nationally recognized resource.

Source: Department of Administration December 11, 2000 News Release

Idaho Citizens' Report

The Idaho Citizens' Report briefly explains the financial condition of the State of Idaho and presents some major state programs. Its purpose is to summarize and simplify the presentation of information contained in the Comprehensive Annual Financial Report (CAFR).

This report is not intended to replace the detailed financial position set forth in the CAFR, which will continue to be provided by the Office of the State Controller. A copy of the CAFR may be obtained by writing or calling our office (refer to back cover).

The financial statements presented in this report are in accordance with Generally Accepted Accounting Principles, except when noted otherwise. The report depicts trends in state revenues and spending in selected economic and demographic areas affecting the State that are of particular public interest.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the State of Idaho for its Popular Annual Financial Report for the fiscal year ended June 30, 2000. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, with contents that conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. We believe this report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

PRESENTED TO

STATE OF IDAHO

**For the fiscal year ending
June 30, 2000**



The seal is circular with a serrated edge. The text around the perimeter reads "GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION S.E.A.I. CHICAGO ILL. 60601". A ribbon is attached to the bottom of the seal.

Thomas A. Crave
President

Jeffrey L. Essler
Executive Director

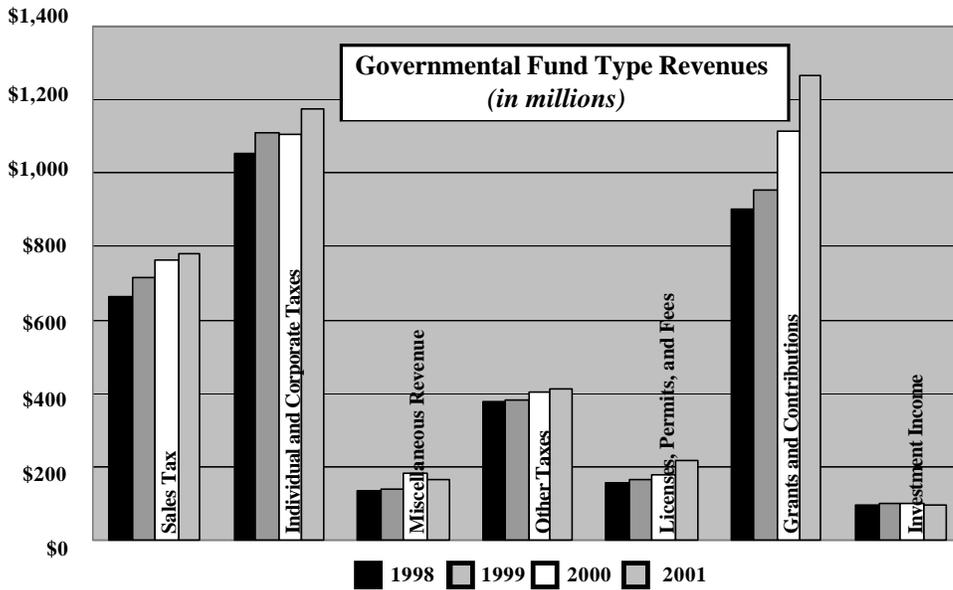
The State's Assets and Liabilities

Balance Sheet
June 30, 1999, 2000, and 2001
(dollars in millions)

Assets:	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>
Cash	\$1,281	\$1,386	\$1,401
Investments	8,815	9,714	9,658
Accounts and Other Receivables	240	328	349
Due From Other Governments or Funds	125	136	164
Notes and Mortgages Receivable	1,285	1,456	1,501
Fixed Assets	1,684	1,802	1,902
Other Assets	<u>1,753</u>	<u>1,853</u>	<u>957</u>
Total Assets	<u><u>\$15,183</u></u>	<u><u>\$16,675</u></u>	<u><u>\$15,932</u></u>
 Liabilities and Equity:			
Liabilities:			
Accounts and Other Payables	\$1,994	\$2,043	\$1,174
Deposits	166	187	197
Bonds and Notes Payable	1,797	1,970	2,006
Due to Other Governments or Funds	100	110	110
Other Liabilities	<u>184</u>	<u>207</u>	<u>233</u>
Total Liabilities	<u>4,241</u>	<u>4,517</u>	<u>3,720</u>
 Equity:			
Fund Balances/Retained Earnings	10,942	12,158	12,212
Total Equity	<u>10,942</u>	<u>12,158</u>	<u>12,212</u>
Total Liabilities and Equity	<u><u>\$15,183</u></u>	<u><u>\$16,675</u></u>	<u><u>\$15,932</u></u>

- ◆ **Fiscal Year** (FY) is 12 consecutive months used by the State to account for and report its operations. The State of Idaho's fiscal year runs from July 1 to June 30.
- ◆ **Assets** are items that the State owns, or has the right to use, such as cash, investments, or buildings.
- ◆ **Liabilities** are the debts or obligations owed by the State.
- ◆ **Equity or Fund Balance/Retained Earnings** is the excess of the value of assets owned by the State over the value of claims against it.

Where the Money Comes From



Taxes, federal grants, and miscellaneous revenues are Idaho's major sources of income.

The collection of taxes is the largest source of funds for Idaho. State income taxes are collected from both individuals earning wages and businesses earning profits in Idaho. Sales taxes are collected from retail transactions occurring in Idaho.

Federal grants are the next largest source of funds for Idaho. Grants are awarded for specific purposes. For example, the Federal Department of Health and Human Services gives grant money to Idaho for Medicaid and Child Support services and the Federal Department of Energy gives grant money for State over-

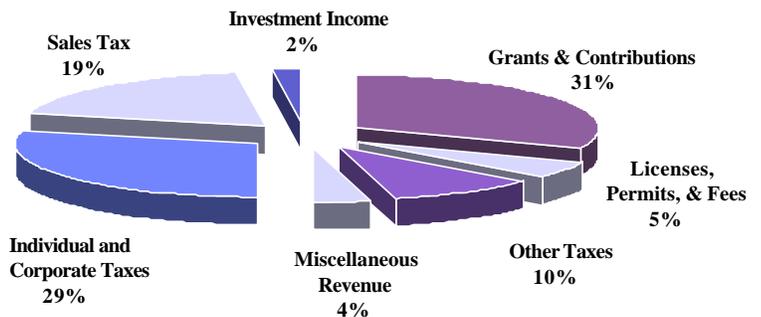
sight of the Idaho National Engineering and Environmental Laboratory (INEEL).

Fees, charges for permits, investment earnings, and other miscellaneous types of income are the third largest source of state revenues. Fees are charged for services provided by state agencies. For example, the Department of Fish and Game charges a fee for issuing a fishing license.

Permits are issued to businesses and individuals. The Department of Parks and Recreation will issue a permit for citizens to use a state park for a year. The money raised by issuing these permits will help to pay for the upkeep of the parks.



FY 2001 Governmental Fund Type Revenues

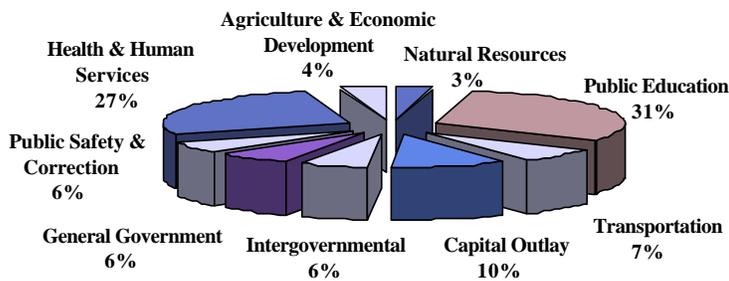


Where the Money Goes

Each year the Idaho Legislature meets and sets a budget for the State. This past year the two largest consumers of the state budget were Education and Health and Human Services.

Education spent the largest share of state funds, accounting for 31 percent of money paid out in fiscal year 2001. The money was used for public schools, colleges and universities, and other education.

FY 2001 Governmental Fund Type Expenditures



Health and Human Services spent 27 percent of the budget. Medicaid programs received over half of the Health and Human Services budget. Medicaid provides medical and dental services for low-income families and individuals. Medicaid also assists those who are unable to pay for medical and dental services, because of youth, old age, pregnancy, or disability. Additional Health and Human Services programs include the AIDS Drug Assistance Program, Child Adop-

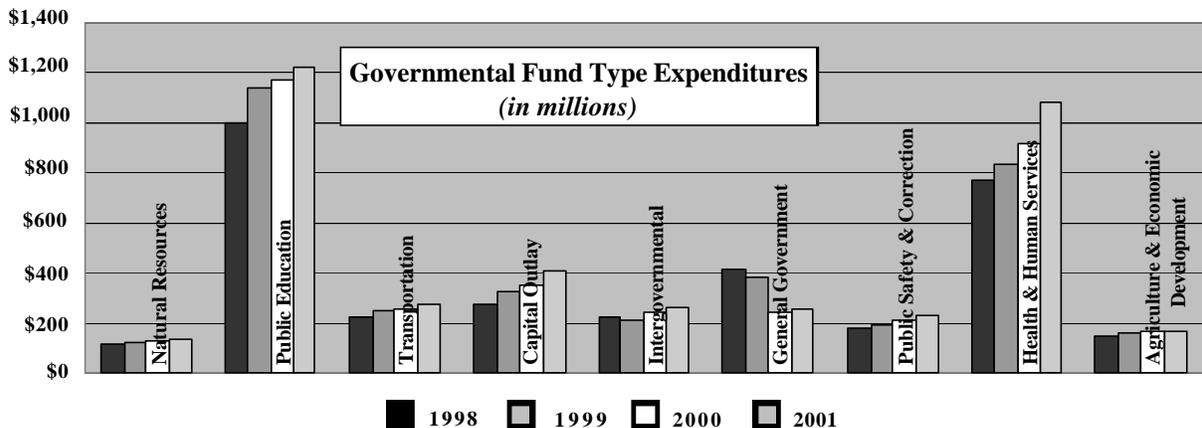


INEEL is a national leader in applying technology to alleviate many of the problems that the country faces. INEEL scientists are successfully treating contaminants in our soil and groundwater with common food preservatives and turning the contaminants into a common chemical (ethene). In addition, INEEL is working on advances in agriculture, nuclear waste disposal, and making a better rechargeable battery.

tion, Children’s Mental Health, and Child Protection Referrals.

A large portion of the state budget was spent for capital outlay (10%) and transportation (7%). Capital outlay includes expenses for land, roads, highways, buildings, fixtures, equipment, and structures. Transportation used money for the repair and maintenance of the State’s infrastructure, which includes long-lived assets such as roads and bridges.

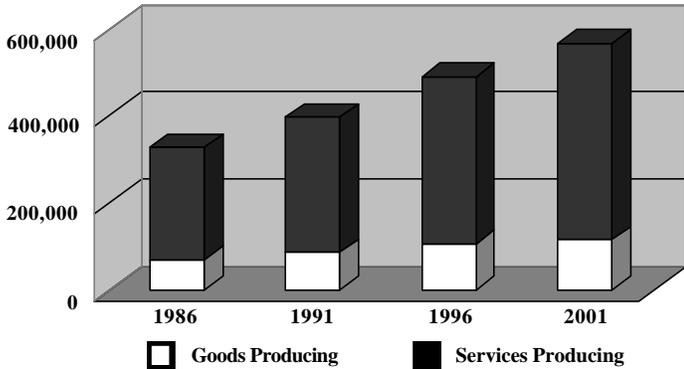
The remaining 25 percent of the budget supports programs such as law enforcement, public safety, natural resources, agriculture, economic development, and general government. These programs are run by employees of the State of Idaho and help to protect the people, the land, and provide for future economic development.



Economic/Demographic

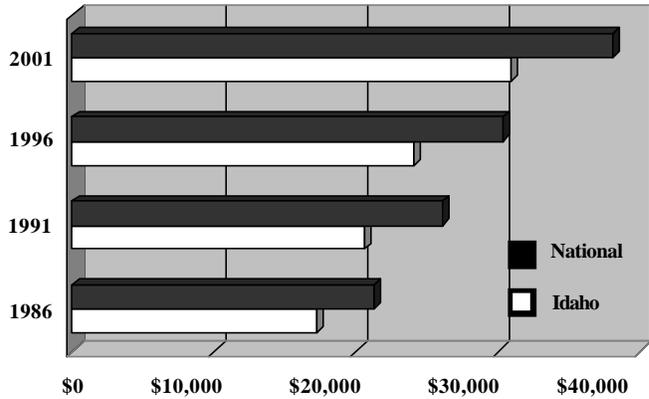
The economy and population of Idaho continues to grow at a faster pace than the rest of the nation. Idaho has a strong and diverse economy. Since 1986, nonfarm employment has grown every year placing Idaho among the top ten fastest growing states.

Idaho Nonfarm Employment



Source: Division of Financial Management

Idaho's Average Annual Wage vs. National Average Wage

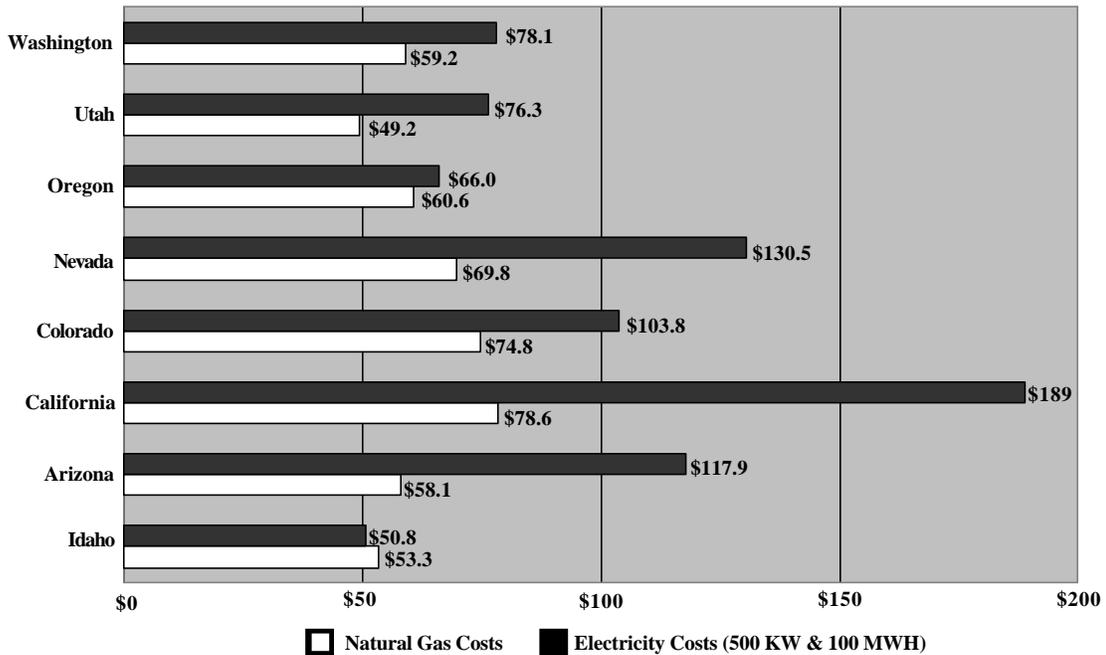


Source: Division of Financial Management

Idaho's average annual wage for fiscal year 2001 was \$30,169, compared to a national average wage of \$38,077.

Even though electric and natural gas prices are increasing in Idaho, annual costs are still among the lowest in the Western states. This makes Idaho an attractive place to live and do business.

Annual Natural Gas and Electricity Costs in Western States (in thousands)



Source: Idaho Department of Commerce

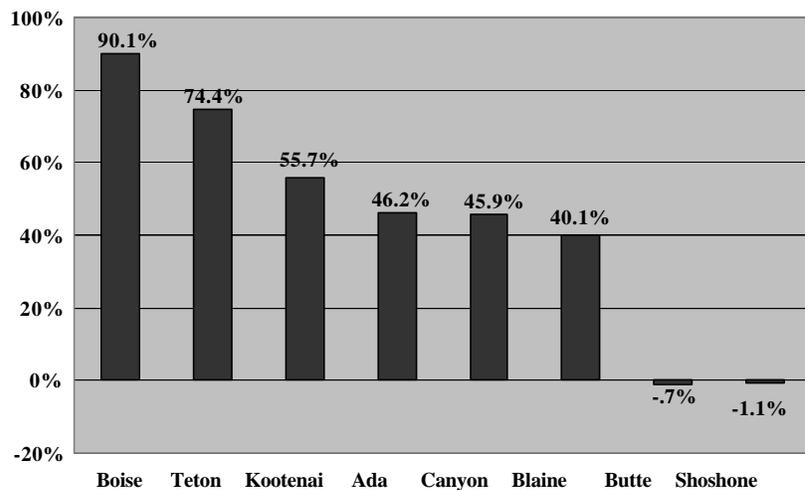
Idaho has experienced a great deal of population growth over the past ten years. While the national population has steadily increased at around 1 percent per year, Idaho's population has grown at a rate close to 3 percent per year. According to the U.S. Census Bureau's 2000 census report, Idaho has grown 28.5 percent since 1990. This growth makes Idaho the fifth fastest growing state in the nation between 1990 and 2000. Idaho's population has grown from about 1,006,749 in 1990 to 1,293,953 in 2000.

In 1990, Idaho had ten cities with a population over 10,000. Idaho now has sixteen cities with a population over 10,000.

City	1990	2000*	Increase	Percentage
Boise	125,738	185,787	60,049	47.8%
Nampa	28,365	51,867	23,502	82.9%
Pocatello	46,080	51,466	5,386	11.7%
Idaho Falls	43,929	50,730	6,801	15.5%
Meridian	9,596	34,919	25,323	263.9%
Coeur d'Alene	24,563	34,514	9,951	40.5%
Twin Falls	27,591	34,469	6,878	24.9%
Lewiston	28,082	30,904	2,822	10.0%
Caldwell	18,400	25,967	7,567	41.1%
Moscow	18,519	21,291	2,772	15.0%
Rexburg	14,302	17,257	2,955	20.7%
Post Falls	7,349	17,247	9,898	134.7%
Mountain Home	7,913	11,143	3,230	40.8%
Eagle	3,327	11,085	7,758	233.2%
Garden City	6,369	10,624	4,255	66.8%
Blackfoot	9,646	10,419	773	8.0%

*Ranked by 2000 population.
Source: U.S. Bureau of the Census

Of the State's 44 counties, 42 experienced population increases between 1990 and 2000. The six counties experiencing the greatest increases include the following: Boise (90.1%), Teton (74.4%), Kootenai (55.7%), Ada (46.2%), Canyon (45.9%), and Blaine (40.1%). Two counties saw population decline: Butte (.7%) and Shoshone (1.1%).



Source: Idaho Department of Commerce

Education

Education Reform

The 2001 Legislature approved standards for students in grades K-8 completing the first-stage of a multi-year project to establish and measure specific learning goals for students. Standards take effect for the graduating class of 2005.

The State's reading initiative finished its first full year with the majority of third graders reading at or near grade level expectations. The Legislature continued to provide support for programs to help struggling readers improve.



Technology in Schools

Idaho schools continue to distinguish themselves nationally in the area of technology and science thanks to the State's long-term investment in technology. Starting in 1994, the Idaho Legislature has invested \$10.4 million annually to equip schools for technology based on eight state goals.

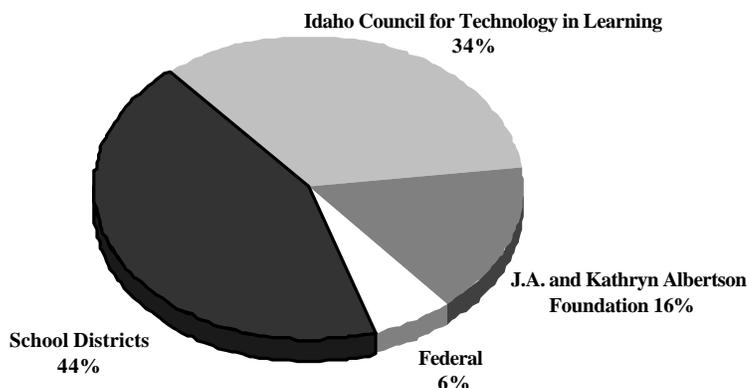
A report prepared for the Governor in 2000, showed Idaho schools have made significant progress toward state goals, including building the infrastructure to support the equipment and incorporating technology into classroom instruction.

Idaho school districts involve patrons, local businesses, and industry through bonds, levies, and donations to show their support by contributing additional resources.

Studies prepared for the Legislature in 1999 and 2001 indicate that the technology investment has led to improved academic achievement, increased student technical skills, and improved teacher skills.

Two national studies done in 2000 show Idaho is among the leaders in the nation for technology in education:

Technology Contributions for Fiscal Year 2000



- ◆ Market Data Retrieval shows Idaho ranking among the top ten states for technology sophistication, which includes student-to-computer ratios and access to the Internet and high-end equipment.
- ◆ Quality Education Data ranks Idaho as the top state for its education technology measures, which include computers available for student use and the quality of equipment available.

Source: Idaho Department of Education

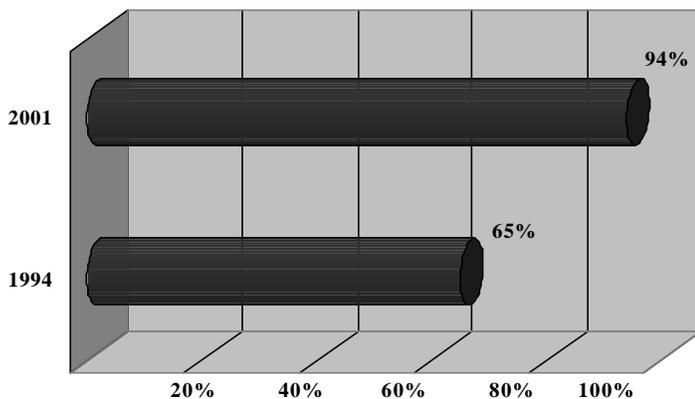


Quick Education Technology Facts

In 1994, there were 7.8 students per “multimedia computer,” meaning an up-to-date computer capable of using the latest software. In 1999, that number improved to 5.3 students per multimedia computer.

In 1994, 65 percent of Idaho public schools had Internet access. Nearly all of these Internet connections were limited to a single modem connection, usually located in the principal’s office. Today, 94 percent of Idaho public schools have Internet connectivity. The most important difference is that in 1994, very few classrooms were connected. Today, almost every classroom in every school has a connection to the Internet.

Idaho Schools with Internet Access



Source: Idaho Department of Education

Teacher and Administrator Achievement

As of June 5, 2001, 78.7 percent of teachers and administrators in Idaho have passed one of the three State Board of Education approved technology competency assessments.

Student Achievement

Idaho eighth-graders performed near or above international and national averages in a prestigious math and science test, the Third International Math and Science Survey (TIMSS). Thanks to a \$150,000 grant from the J.A. and Kathryn Albertson Foundation, Idaho was one of only 13 states that volunteered to participate in the intensive TIMSS process, which compares student and teacher data collected from nations throughout the world.

Overall science results show Idaho students’ average score of 526 is higher than the U.S. average of 515 and significantly above the international average of 488. In math, Idahoans scored an average of 495, this is better than the international average of 487. However, it is below the U.S. average of 502.

<u>SUBJECT</u>	<u>IDAHO</u>	<u>U.S.</u>	<u>INTERNATIONAL</u>
Science	526	515	488
Math	495	502	487

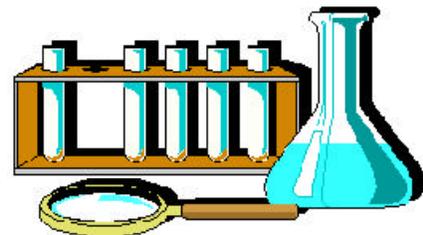
Source: Idaho Department of Education

Idaho students continue to score at or above the national averages on the Iowa Test of Basic Skills as well as the ACT and SAT college entrance exams.

Idaho Falls’ Skyline High School Science Team Scores

In May 2001, Idaho Falls’ Skyline High School tied for seventh in the National Science Bowl. This is the highest an Idaho team has ever placed. Skyline advanced to the final round of the national competition, which was held in Chevy Chase, Maryland.

After beating teams from New Mexico and Ohio, the five-member team lost to a team from Sacramento, California. Another California team, from North Hollywood High School, won first place. Sixty-one teams competed in this year’s National Science Bowl, which is sponsored by the Department of Energy.



Health and Welfare

The digital age has been a lifesaver for the Idaho Department of Health and Welfare (IDHW), speeding the delivery of services, while cutting down on administrative costs. Every dollar saved using technology goes back into social service programs, which is IDHW's highest priority.

Over the last few years, IDHW has implemented an Electronic Benefit Transfer system. IDHW is able to transfer benefits and funding electronically for programs such as child support, food stamps, and cash assistance. In some cases, funds are deposited directly into the recipient's existing bank account. In others, recipients are issued a *Quest* debit card they can use to draw on their funds.

Child support services is the most recent addition to the electronic payment system. IDHW services over 50,000 child support payment cases, with approximately \$12 million per month routing through their system. These transactions can cost as little as 10 cents each, while cutting down the time it takes to process support checks from six days to two days. With this success, IDHW is now looking to expand the electronic payment system to include the childcare subsidy program for improved service and savings. Promoting and protecting the health and safety of

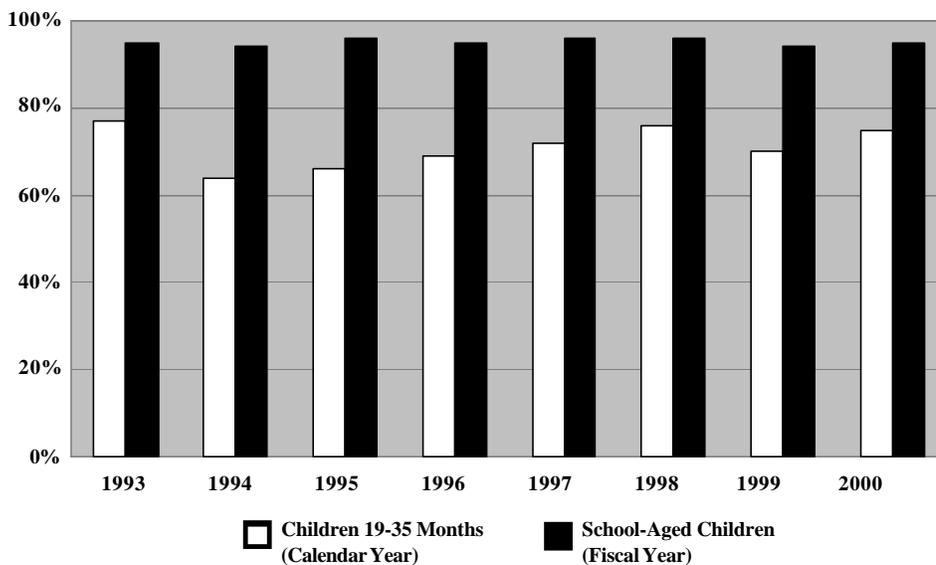
Idahoans is IDHW's mission, and technology is helping them reach this goal. IDHW implemented the Immunization Reminder Information System (IRIS) in 2000 to help track our children's vaccinations, reminding parents when shots are due. This Internet-based system connects IDHW with the State's Health Districts and thousands of care providers. Providers and users are guaranteed complete privacy for all Internet business relationships (IDHW uses digital certificates to authenticate all business transactions).



The percentage of school-aged children immunized in FY 2000 was 95%, while 75% of children 19-35 months were immunized in 2000. Children should have 5 immunizations by the time they are 2 years old.



Immunization Rates

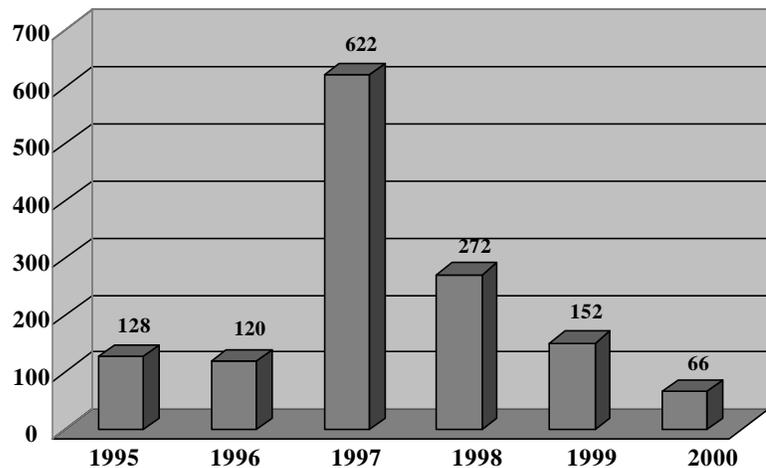


Source: Idaho Department of Health and Welfare

Participation in IRIS is voluntary. A parent's signature is required to enroll their child in IRIS. Your doctor and health district have forms you can complete to give this permission. If your child's information is already listed in a regional registry maintained by your local health district, you would still need to give permission for that information to be transferred to IRIS. A separate consent is required for each child.

Unfortunately, children are still contracting diseases that would be prevented if they were receiving their childhood vaccinations. Due to the large outbreak of Pertussis in the Panhandle area of Idaho in 1997, aggressive control measures were established. Although the rate of Pertussis has decreased since then, the number of cases in Idaho remains above the national average.

Childhood Vaccine Preventable Diseases



Source: Idaho Department of Health and Welfare

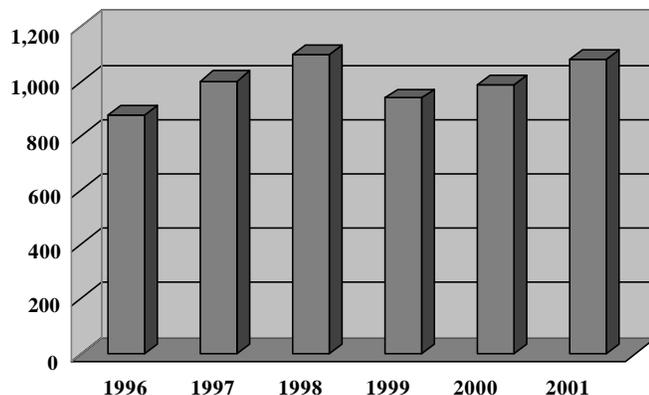
Disease	1995	1996	1997	1998	1999	2000
Diphtheria	0	0	0	0	0	0
Hemophilus influenzae type B	6	1	1	2	2	1
Measles	2	2	0	0	0	0
Mumps	4	0	5	7	4	1
Pertussis (whooping cough)	116	115	614	263	146	64
Polio	0	0	0	0	0	0
Rubella	0	2	2	0	0	0
Tetanus	0	0	0	0	0	0
Total	128	120	622	272	152	66

Source: Idaho Department of Health and Welfare



One of the cornerstones of the State's child welfare services is the foster care program. Foster families help care for children who have been abused, neglected, or experienced other problems within their family. Foster families provide a temporary, safe environment for children when their own family is unable to do so. In 2001, 1,083 of Idaho's children were being cared for in foster homes.

Children in Foster Care



Source: Idaho Department of Health and Welfare

Parks and Recreation

The Idaho Department of Parks and Recreation (IDPR) is charged with the dual mission of protecting and preserving the resources of the State park system and of providing recreation opportunities and facilities for public use.

IDPR manages 25 State parks and 3 gateway visitor centers located on interstate highway entrances. Money from registrations goes to develop and maintain trails, facilities, and statewide programs.

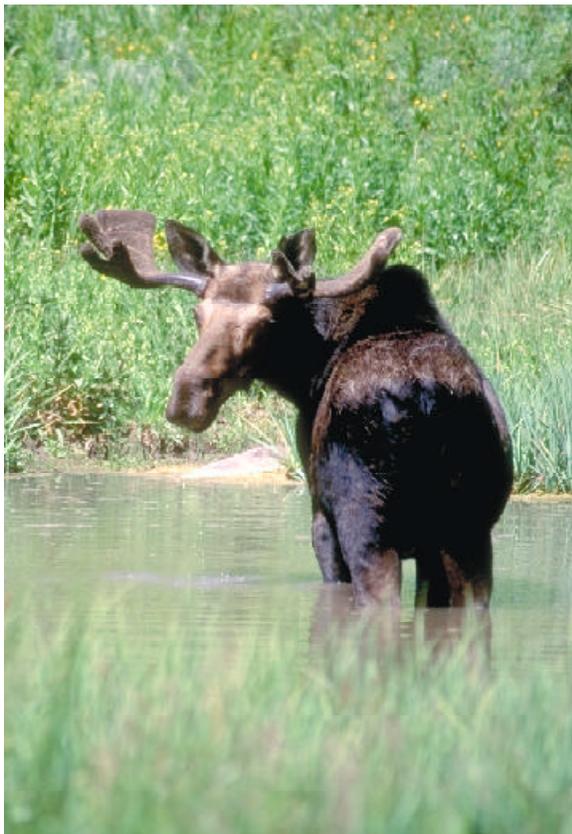
Technology is aiding IDPR in the protection of Idaho's natural resources. IDPR is beginning to integrate geographic information systems (GIS) and remote sensing technology into the management of natural and cultural resources in state parks. Heyburn State Park is the first park in Idaho to use GIS technology to help with such issues as fire restoration in ponderosa pine forests, wildfire protection of structures, and restoration of western white pine and black cottonwood

forests. With the help of GIS and remote sensing systems park managers are able to analyze and solve problems. These systems make it possible to develop strategies for implementing forest restoration plans.

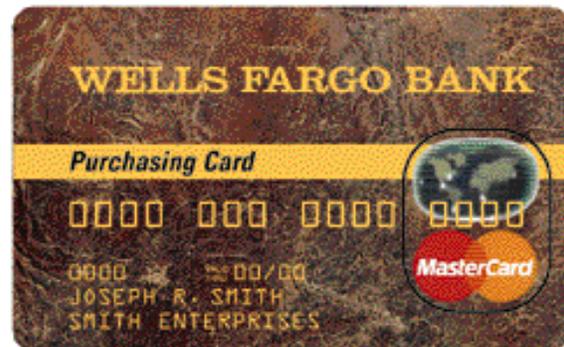
The Department's web site, www.idahoparks.org, received a first place award from the Idaho Press Club in the public relations category. The site was commended for its design and ease of use. The site averages about 900 visitors each day. Users can do the following:

- ◆ Query for information on all Idaho State Parks.
- ◆ Get information on Idaho's recreation programs.
- ◆ Link to other related recreation and tourism sites in the State of Idaho.

The Visit Idaho Playground (VIP) pass gives outdoor



Source: Idaho Department of Parks and Recreation



The State of Idaho entered into a contract with Wells Fargo Bank to purchase goods or services using a state issued MasterCard, thereby reducing transaction costs considerably for merchants and the State of Idaho. The IDPR built an "electronic bridge" between the transaction data that Wells Fargo provided electronically and the State's Statewide Accounting and Reporting System (STARS). Employees log onto the Internet to verify, approve, and code the MasterCard charges within their area of responsibility. The transactions are then electronically routed and recorded on STARS. Routing transactions from point of sale to STARS has eliminated thousands of data entry transactions within the Department annually.

enthusiasts the opportunity to purchase a five-day, or annual, all-in-one pass to cover access fees to approximately 100 recreation sites in Idaho.

The VIP pass includes entrance into state parks, Craters of the Moon National Monument, parking at all Park N'Ski areas, and access to select Forest Service, Bureau of Land Management, and Bureau of Reclamation day-use areas. Overnight camping, group-site, and other special fees will be charged separately and are not included as part of the VIP program. Purchases may be made online at www.idahorec.org or by calling 1-800-847-4843.

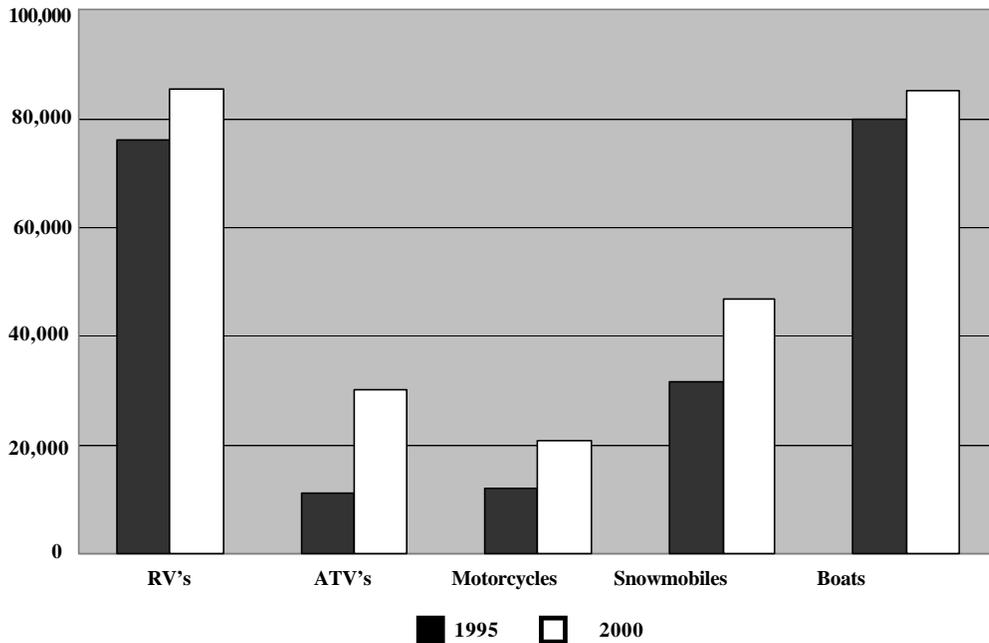
Starting in 2002, on-line registration via the Internet will be

Your Idaho Pass to
ADVENTURE!



available for all resident and nonresident recreationists to register snowmobiles, boats, and off highway motorbikes. In addition, visitors will be able to purchase their annual Park Passports or Park N'Ski Stickers on-line. Approximately 85,277 RV's, 30,248 ATV's, 20,794 motorcycles, 46,696 snowmobiles, and 85,000 boats were licensed during 2000. By registering on-line, processing costs will be reduced and customer service will be expanded.

Vehicles Licensed



Source: Idaho Department of Parks and Recreation

Tax Commission

Electronic filing is revolutionizing the way taxpayers do business with the Idaho State Tax Commission. For example, in 2001, close to 130,000 people filed Idaho income tax returns electronically. This is a 30 percent increase from last year. Business owners are taking advantage of electronic filing to make sales tax and income tax withholding payments via the Internet.



Benefits of Electronic Filing Include the Following:

- ◆ *Faster refunds for taxpayers.*
Income tax refunds are paid in a matter of days, compared to weeks when paper tax returns are filed.
- ◆ *Direct deposit.*
Refunds can be deposited directly into a taxpayer's bank account. Checks don't get lost in the mail.
- ◆ *Nearly error-free tax returns.*
Software programs do the math for taxpayers so fewer returns are held up for corrections. This also saves the Tax Commission time and money in processing.
- ◆ *Saves time.*
Electronic filing does away with driving to the post office or the Tax Commission and standing in line to file a paper return. All it requires is an Internet connection.



Courtesy of *The Idaho Statesman*

Dewey Hammond, Chairman of the Tax Commission, hands tax documents to a taxpayer along with Susan St. Clair of the Federal Internal Revenue Service.

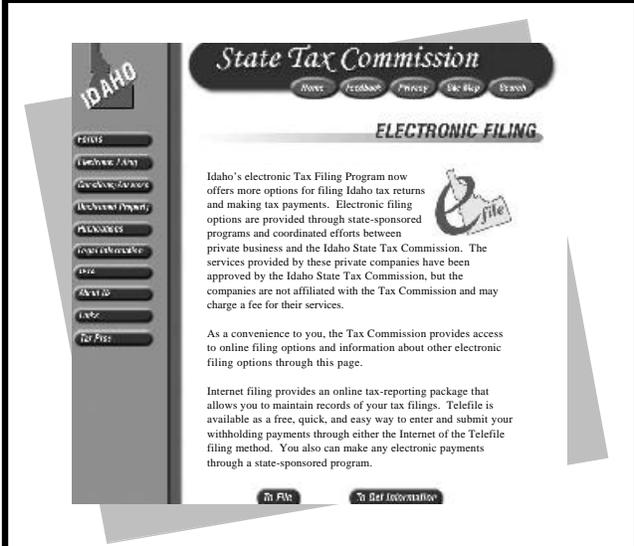
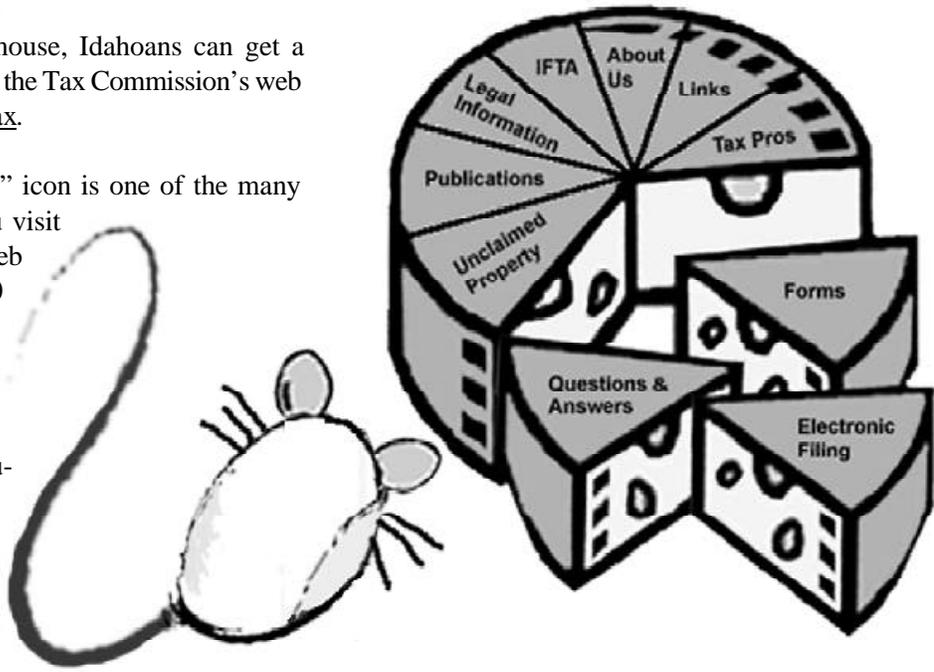
Customer Service is Our Mission

For those who aren't computer savvy, or just prefer to do business in person, the Tax Commission aims to please. In 2001, they launched curbside service for income tax filers on April 16, the last day of the filing season. An estimated 1,200 motorists used the new drive-up service in Boise to get forms, file taxes, and have their last minute tax questions answered.

Information on the Web

With a few clicks of a mouse, Idahoans can get a variety of information from the Tax Commission’s web site at www2.state.id.us/tax.

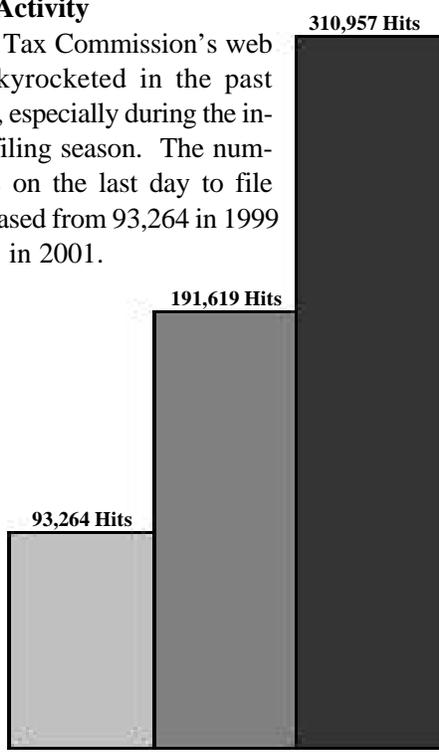
The “Unclaimed Property” icon is one of the many you can choose when you visit the Tax Commission’s web site. More than 100,000 accounts totaling about \$28 million in unclaimed assets in Idaho are waiting to be claimed. These include stocks, bonds, mutual funds, bank accounts, uncashed payroll checks, utility deposits, traveler’s checks, and more. People have either forgotten or do not realize they have these items. You can also check on unclaimed property in other states.



New Ways to File in 2002
 For the first time, Idaho taxpayers can send a simple income tax return (40EZ) directly to the Tax Commission by using a free Internet service. Also, all taxes can be paid by credit card starting in 2002.

Web Site Activity

Use of the Tax Commission’s web site has skyrocketed in the past three years, especially during the income tax filing season. The number of hits on the last day to file taxes increased from 93,264 in 1999 to 310,957 in 2001.



Source: Idaho State Tax Commission

Important Initiatives

◆ The Millennium Fund received its first spending allowance (\$2.3 million) in fiscal year 2001. The Millennium Fund was established in 2000 to account for the money that the tobacco companies will be paying Idaho as part of a nationwide court settlement. The payments are expected to last into perpetuity. The payments are expected to last into perpetuity. Idaho's first 25 years of receipts are estimated at \$711 million. The Millennium Fund (as set up by the Legislature) only allows earnings from the fund to be spent, while the annual settlement payments (from the tobacco companies) will continually build up the principal amount. Fiscal year's 2001 allowance of \$2.3 million was largely dedicated to tobacco related programs (e.g., health care, cessation programs, and research). The amount available for appropriation will continue to grow as the earnings from the principal increase in coming years.

◆ Extra money from the General Fund was used during the 2001 fiscal year for tax relief, building projects, and the State's "rainy day" fund. The tax relief package totaled \$114 million and included permanent tax rate reductions in personal and corporate income taxes.

◆ The Legislature took steps to address the need for improvements to public schools. A revolving loan fund was established to allow school districts to borrow money from the State to repair unsafe and un-

healthy conditions. The Idaho Uniform School Building Safety Code Commission was created to establish a uniform building code and enforce it.

◆ Medicaid costs and their control was the dominant issue in the area of Health and Human Services. The Legislature's Joint Finance and Appropriations Committee appointed a study committee to examine cost containment measures and make recommendations to the Legislature. The committee developed a series of 17 recommendations, which were adopted by the Legislature. The suggestions included: making State veterans homes Medicaid eligible, holding reimbursement rates at fiscal year 2000 levels, and requiring prior authorization and periodic review of health services.

◆ New state agencies were created in recognition of their importance to Idahoans. The Department of Environmental Quality (DEQ) and the Division of Veterans Services (DVS) were created (both were previously part of the Department of Health and Welfare). DEQ's mission is to protect human health and preserve the quality of Idaho's air, land, and water for use and enjoyment today and in the future. DVS was created to serve Idaho's veterans. The Office of Species Conservation was also created (within the Governor's Office) to address the decline in several plant and animal species.



The State Controller's Office has been nationally recognized for the development of its online payroll system (called IPOPS). IPOPS was created to electronically produce and route payroll and human resource documents through the Internet. IPOPS, now in its second year of operation, has saved tax dollars by reducing the amount of paper, time, and employees necessary to manually complete and transmit payroll information.

The sponsors of the award, the National Association of State Controllers, singled out J.D. Williams as the state controller who demonstrated the most innovative use of technology to solve state management issues. "Many states are having to spend tens of millions of dollars to purchase new payroll systems," Controller Williams said. "But, our office found a way to solve our problems for a fraction of the cost, and this award demonstrates just how innova-

Data Sources

Commerce, Idaho Department of
Education, Idaho Department of
Financial Management, Idaho Division of
Health and Welfare, Idaho Department of

Parks and Recreation, Idaho Department of
Tax Commission, Idaho State
U.S. Bureau of the Census



The National Association of State Boards of Accountancy (NASBA) awarded the Idaho State Board of Accountancy (ISBOA) the 2001 NASBA Web Award for Internet Excellence. ISBOA won the award for the "Most Improved." This is the second year ISBOA has received the NASBA Web Award for Excellence. The web award program was designed to encourage accountancy boards to use the Internet to make information available to licensees and the public in an informative, easy-to-use manner.



The State of Idaho recently received national recognition for "Outstanding Achievement in the Field of Information Technology." The award recognized Travel Express, an Internet-based application developed by the State Controller's Office, to reimburse state travel expenses in a convenient, economical manner by eliminating paper and accelerating the entire process. The award was sponsored by an organization representing chief information officers in all 50 states.

State Controller J.D. Williams said, "Travel Express is a prime example of how technology can benefit Idaho citizens by making their government work better at less cost. This frees up tax dollars for higher priorities like public education. This application is just one more step toward Governor Kempthorne's goal of one day ensuring



This is a day when all Americans from every walk of life unite in our resolve for justice and peace. America has stood down enemies before, and we will do so this time. None of us will ever forget this day. Yet, we go forward to defend freedom and all that is good and just in our world.

--President George W. Bush
September 11, 2001

STATE OF IDAHO WEBSITES & PHONE NUMBERS

OFFICE	WEB ADDRESS	PHONE NUMBER
Administration, Department of	http://www2.state.id.us/adm/	332-1824
Aging, Commission on	http://www2.state.id.us/icoa/	334-3833
Agriculture, Department of	http://www.agri.state.id.us/	332-8500
Appellate Public Defender	http://www.sapd.state.id.us/	334-2712
Arts Commission	http://www2.state.id.us/arts/index.htm	334-2119
Attorney General, Office of	http://www2.state.id.us/ag/	334-2400
Commerce, Department of	http://www.idoc.state.id.us/	334-2470
Consumer Protection Unit (1-800-432-3545)	http://www2.state.id.us/ag/consumer/consumer.htm	334-2424
Correction, Department of	http://www.corr.state.id.us/	658-2000
Developmental Disabilities Council (1-800-544-2433)	http://www2.state.id.us/icdd/index.htm	334-2178
Education, Board of	http://www.sde.state.id.us/osbe/board.htm	334-2270
Education, Department of	http://www.sde.state.id.us/Dept/	332-6800
Engineers and Land Surveyors, Board of Professional	http://www2.state.id.us/ipels/index.htm	334-3860
Finance, Department of (1-800-346-3378)	http://www2.state.id.us/finance/dof.htm	332-8000
Financial Management, Division of	http://www2.state.id.us/dfm/dfm.htm	334-3900
Fish and Game, Department of	http://www2.state.id.us/fishgame/fishgame.html	334-3700
Governor, Office of the	http://www2.state.id.us/gov/govhmpg.htm	334-2100
Health and Welfare, Department of	http://www2.state.id.us/dhw/hwgd_www/home.html	334-5500
Health Districts Conference Office	http://www2.state.id.us/phd/hdcopage.htm	334-3566
Hispanic Affairs, Commission on	http://www2.state.id.us/icha/	334-3776
Historical Society, Idaho State	http://www2.state.id.us/ishs/index.htm	334-2682
Human Resources, Division of	http://www.ipc.state.id.us/	334-2263
Human Rights Commission	http://www2.state.id.us/ihrc/ihrc/home.htm	334-2873
Humanities Council	http://www2.state.id.us/ihc/	334-3844
Idaho, State of	http://www.state.id.us	334-2411
Independent Living Council	http://www2.state.id.us/silc/	334-3800
Industrial Commission	http://www2.state.id.us/iic/index.htm	334-6000
INEEL Oversight Program	http://www2.state.id.us/deqinel/main_op.htm	373-0498
Information Technology Resource Mgmt. Council	http://www2.state.id.us/itrmc/	332-1876
Insurance Fund, State	http://www2.state.id.us/isif	332-2100
Insurance, Department of	http://www.doi.state.id.us/	334-4250
Judicial Branch/Supreme Court	http://www2.state.id.us/judicial/judicial.html	334-2246
Juvenile Corrections, Department of	http://www.djc.state.id.us/	334-5100
Labor, Department of	http://www.doe.state.id.us/	334-6252
Lands, Department of	http://www2.state.id.us/lands/	334-0200
Legislative Branch	http://www2.state.id.us/legislat/legislat.html	1-800-626-
Legislative Districts	http://www2.state.id.us/legislat/csgnews/	0471
Library, Idaho State	http://www.lili.org/isl/	
Lieutenant Governor, Office of	http://www2.state.id.us/lgo/	334-2150
Liquor Dispensary, Idaho State	http://www2.state.id.us/isld/	334-2200
Lottery Commission	http://www.idaholottery.com/	334-2524
Military, Division of	http://www2.state.id.us/mil/cover.htm	334-2600
Nursing, Board of	http://www2.state.id.us/ibn/ibnhome.htm	422-4272
Outfitters and Guides Licensing Board	http://www2.state.id.us/oglb/oglbhome.htm	334-3110
Parks and Recreation, Department of	http://www.idahoparks.org/	327-7380
Police, Idaho State	http://www.isp.state.id.us	334-4199
Public Employees Retirement System	http://www.persi.state.id.us/	884-7000
Public Television, Idaho	http://www.idptv.state.id.us/	334-3365
Public Utilities Commission	http://www.puc.state.id.us/	373-7220
Purchasing, Division of	http://www2.state.id.us/adm/purchasing/default.htm	334-0300
Rural Development Council	http://www.rurdev.usda.gov/nrdp/id.html	327-7465
Tax Commission-Forms	http://www2.state.id.us/tax/forms.htm	334-6113
Transportation Department, Idaho	http://www2.state.id.us/itd/itdhmpg.htm	334-7660
Unclaimed Property	http://www2.state.id.us/tax/unclaimed.htm	334-8000
Vocational Rehabilitation, Division of	http://www2.state.id.us/idvr/idvrhome.htm	334-7627
Water Resources, Department of	http://www.idwr.state.id.us	334-3390
Women's Commission	http://www2.state.id.us/women/	327-7900
		334-4673