



# 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

### Our Kids, Idaho's Future

Governor Little assembled the “Our Kids, Idaho's Future” Task Force in May of 2019 to formulate a five-year blueprint for improvement and investment in Idaho's K-12 public education system. The task force members include teachers, school administrators, education stakeholders, business leaders, and a bipartisan group of legislators from every corner of the state. The task force will review the K-12 budget to align investments with the priorities, with the overall goals of improving student achievement, identifying a framework to successfully measure student success, recruit and retain teachers, and others.

### 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Promote a strong public education system, reduce regulations and clean up outdated laws, strengthen partnerships and friendships with foreign countries, improve connectivity and broadband infrastructure, combat opioid and substance misuse;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.

### Luma

Recognizing the risks associated with Idaho's aging business systems, in 2014, the State Controller sponsored a systems modernization study after receiving approval and funding from the legislature. The passage of House Bill 493 on March 7, 2018, allows the State to acquire and implement a statewide Enterprise Resource Planning (ERP) system. The new system, called Luma meaning “to shine light on”, will accomplish the following goals:

- Acquire and implement an Enterprise Resource Planning (ERP) system that all state agencies will utilize for statewide unification in budget planning, financial management, procurement, payroll, and human capital management.
- Improve productivity and reduce costs by eliminating redundant systems, workarounds, and unnecessary complexity required to perform operational and administrative services.
- Modernize and standardize business processes for alignment with industry best practices inherent in commercial off-the-shelf (COTS) software for efficient workflow and accurate information reporting.
- Increase transparency of government operations and expenses.
- Reduce risk exposure associated with the current outdated software systems.
- Improve decision making by capturing and being able to report a consistent, expandable set of data.
- Ensure strength and efficiency of the State's data security management.

### Demographic Information

Year	Population*	Per Capita Income	Unemployment Rate	State Employees
2018	1,754,000	\$43,900	2.8%	24,512
2019	1,785,000	\$45,843	2.9%	24,296
Change	1.8%	4.4%	0.1%	(0.9)%

School Year	Public School Enrollment	Public Higher Education Enrollment
2017/2018	302,469	54,778
2018/2019	307,228	54,315
Change	1.6%	(0.8)%

\*Sources: October 2019 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 2019

Photo Courtesy of Idaho Tourism

## Idaho's Economy

Under Governor Little's leadership, the State's economy continued to grow. According to the U.S. Bureau of Economic Analysis, the value of all goods produced in Idaho rose 6.0 percent from \$72.7 billion in 2017 to \$77.1 billion in 2018 (unadjusted for inflation). Growth in mining, quarrying, and oil and gas extraction; construction; transportation and warehousing; finance and insurance; professional and business services; management of companies and enterprises; and arts, entertainment, recreation, accommodation, and food services accounted for the majority of gross state product increase in 2018.

### Idaho Gross State Product (dollars in millions)

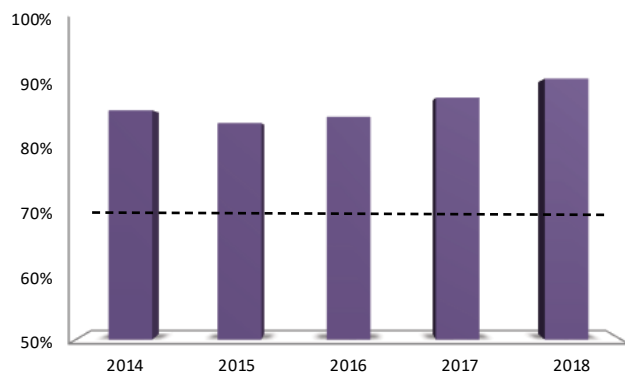
	2015	2016	2017	2018
Yearly Total	\$66,004	\$69,029	\$72,723	\$77,052

### 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, \$793.9 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.

**#1 STATE**

Job Growth in Nation  
(Kiplinger)

**#3 STATE**

Business Friendliness  
(CNBC)

**#1 STATE**

Top Performing Economy  
(Bloomberg)

**↓ LOWEST  
AVG. COST**  
of Utilities in the Nation  
(Move.org)

**#4 STATE**

Cost of Doing Business  
(CNBC)

**🏆 TOP  
PLACES**  
to Travel in 2018  
(Travel + Leisure)

**9,181**  
jobs since July 1, 2014  
Total Tax Reimbursement Commitments

**12 800**  
within an  
major metros  
mile radius

**2.8%**  
Unemployment Rate  
(U.S. = 3.6%)  
Idaho has consistently been recognized as a national leader for employment and wage growth.

**1.75**  
million people in 2018

Source: <https://commerce.idaho.gov/>

### Education

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

#### Degrees Awarded

	2017	2018	2019
Associate	3,540	3,581	3,479
Bachelor's	6,597	6,648	6,895
Master's	1,667	1,860	1,782
Doctorate	361	362	372

Target: No state-wide target has been identified.

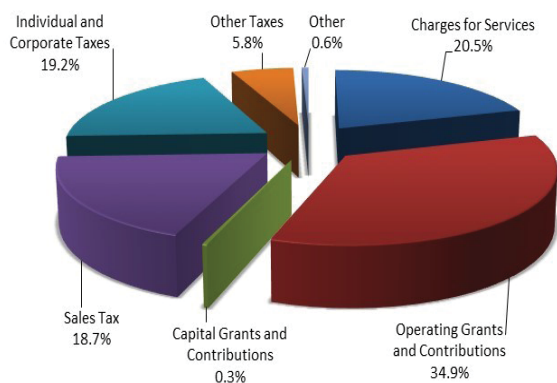
# Idaho's Finances

## Revenues and Expenses

Photo Courtesy of Idaho Tourism

### Primary Government Revenues

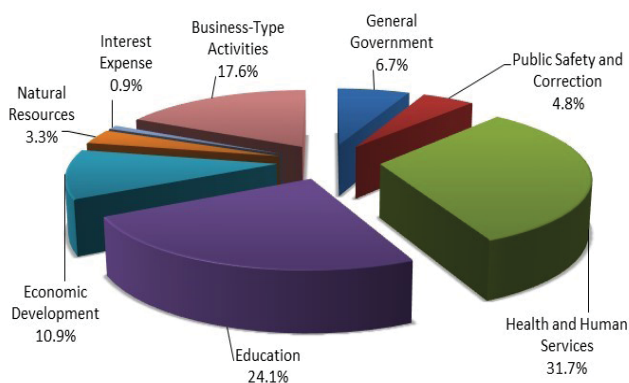
Fiscal Year 2019 Revenues by Source



Revenues By Source (dollars in thousands)	2018 Revenues	2019 Revenues	Change
Charges for Services	\$ 1,972,959	\$ 2,079,284	5.4%
Operating Grants and Contributions	3,482,381	3,556,450	2.1%
Capital Grants and Contributions	47,872	32,343	(32.4)%
Sales Tax	1,805,363	1,899,088	5.2%
Individual and Corporate Taxes	2,091,958	1,958,640	(6.4)%
Other Taxes	596,719	591,255	(0.9)%
Other	60,991	63,253	3.7%
<b>Total Revenue</b>	<b>\$ 10,058,243</b>	<b>\$ 10,180,313</b>	<b>1.2%</b>

### Primary Government Expenses

Fiscal Year 2019 Expenses by Source



Expenses by Source (dollars in thousands)	2018 Expenses	2019 Expenses	Change
General Government	\$ 512,086	\$ 644,708	25.9%
Public Safety and Correction	439,116	466,263	6.2%
Health and Human Services	3,079,063	3,048,267	(1.0)%
Education	2,229,172	2,325,261	4.3%
Economic Development	996,854	1,047,957	5.1%
Natural Resources	303,441	314,839	3.8%
Interest Expense	52,271	87,846	68.1%
Business-Type Activities	1,642,388	1,694,765	3.2%
<b>Total Expenses</b>	<b>\$ 9,254,391</b>	<b>\$ 9,629,906</b>	<b>4.1%</b>

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](http://www.sco.idaho.gov)





# What's Next?

## Future Challenges and Economic Outlook

Photo Courtesy of Idaho Tourism

### Future Challenges

#### Education

In his 2019 State of the State Address, the Governor stated that education is the number one priority for the state's budget. Over the past four years, Idaho has a successful record of responsible investment in education. The budget for Idaho's schools has increased by 32 percent. To continue momentum in advocating for educational excellence in Idaho, the Governor outlined his plan to create a Children's Cabinet consisting of traditional education stakeholders, parents, and groups across the state to provide advice on a variety of educational issues. The Governor proposed a budget recommendation to double literacy program funding to \$26 million to align with the goal of students learning to read by the third grade to ensure that all kids begin at the same starting line in life. Finally, the Governor introduced a new initiative called Our Kids, Idaho's Future. The charge of this broad-based task force will be to look at Idaho's education system holistically and prioritize where investments should be made. This initiative will provide Idaho's next five-year blueprint for education investment and reform.

#### Health Care

Your Health Idaho has been recognized as one of the best health exchanges in the country. The Governor communicated his intent to continue developing Idaho solutions that bring health care costs down for all Idahoans in his 2019 State of the State Address.

### Idaho's Outlook

#### Economy

Idaho has a dynamic economy influenced by local, national, and international factors. The Governor announced a \$576 million two year trade deal for wheat sales to Taiwan, representing a growth of 10 percent in shipments. The Bureau of Land Management approved the application for the Caldwell Canyon phosphate mine near Soda Springs in eastern Idaho. The new mine is expected to provide for four decades of activity, likely preserving both mine jobs as well as the processing plant jobs in Soda Springs. Several announcements made in 2019 could have large impacts in the Treasure Valley including Hewlett-Packard announcing cutbacks in its printing division, amounting up to 9,000 worldwide; its Boise portion has not been finalized. Additionally, Amazon has confirmed the 2020 construction of a distribution center in Nampa; employment projections have centered around 1,000 jobs for the center.

#### Employment

The unemployed population in Idaho has been in the 24,000 to 26,000 range since the beginning of 2018, while the labor force has grown from 840,000 to 880,000. As of October 2019, the unemployment rate is 2.9 percent.

#### Housing Market

Total housing starts within the state are predicted to close 2019 at the 16,000 unit level. By 2022, single-family housing starts are predicted to be up 4.6 percent per year on average and multi-family housing starts are expected to be up 1.5 percent on average.

### Idaho's Economic Outlook

	2019	2020	2021	2022
Per Capita Personal Income	\$41,772	\$42,650	\$43,225	\$43,621
Percentage Change	2.9%	2.1%	1.3%	0.9%
Nonfarm Employment	760,203	780,899	797,393	813,961
Percentage Change	2.9%	2.7%	2.1%	2.1%
Housing Starts	15,956	16,808	17,367	18,021
Percentage Change	(1.7)%	5.3%	3.3%	3.8%



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: [cafr@sco.idaho.gov](mailto:cafr@sco.idaho.gov)

