



State of Idaho

A Report to Our Citizens

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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. In 2022, Idaho put the single largest ongoing investment ever into education - \$330 million for public schools and \$80 million for in-demand career training. Idaho is first in the nation for overall return on investment for education spending, which speaks to the dedication of Idaho families to prepare their children for productive learning every single day.

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Promote a strong public education system, reduce regulations and clean up outdated laws, strengthen partnerships and friendships with foreign countries, improve connectivity and broadband infrastructure, combat opioid and substance misuse;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

Idaho First

"Idaho First" is Governor Little's current plan for Idaho introduced in his 2023 State of the State and Budget Address, and his (first) priority in the plan is education. Idaho has made huge progress in connecting employers with resources to train employees, and the Idaho First plan helps get even more skilled workers employed. The governor announced that his budget provides access to a scholarship of \$8,500 starting next year to graduating high school students in Idaho to attend an Idaho university, community college, career technical or workforce training program of their choice. The "Idaho Launch" scholarship will be the single largest investment in career technical and workforce education in state history. Idaho First will also boost starting teacher pay yet again, targeting Idaho in the top 10 states for starting teacher pay. What that means for the average Idaho teacher is a \$6,300 pay raise.

The governor highlighted several other categories that his Idaho First plan will target including improving resources for troubled youth in mental health crises and making behavioral health services more accessible; supporting Idaho's dedicated law enforcement officers by adding 10-percent pay raises, providing a \$6,000 increase for the average state police trooper; and developing a campaign called "All it Takes" to create a new statewide drug interdiction team at the Idaho State Police to protect our youth from fentanyl by providing enhanced training and launching a new educational awareness campaign.

Demographic Information

Year	Population	Per Capita Income	Unemployment Rate	State Employees
2022	1,941,000	\$ 54,021	2.9%	23,277
2023	1,989,000	\$ 57,056	3.1%	24,048
Change	2.5%	5.6%	0.2%	3.3%

School Year	Public School Enrollment	Public Higher Education Enrollment
2021/2022	316,159	53,724
2022/2023	315,183	54,911
Change	(0.3)%	2.2%

Sources: October 2023 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 2023

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 12.2 percent from \$98.8 billion in 2021 to \$110.9 billion in 2022 (unadjusted for inflation). Growth in agriculture, forestry, fishing, and hunting; utilities; construction; manufacturing; 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 2022.

Idaho Gross State Product (dollars in millions)

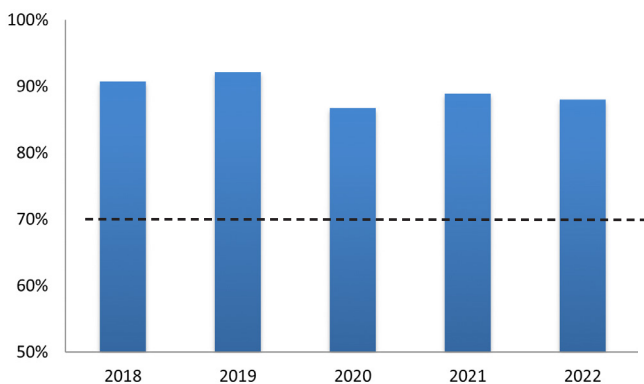
	2019	2020	2021	2022
Yearly Total	\$84,550	\$88,188	\$98,793	\$110,871

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, \$1.1 billion 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

	2021	2022
Air Quality Sites Monitored	34	33
Water Sites Monitored	265	258
Hatchery Fish Raised (in thousands)	28,948	29,997
Hunting and Fishing Licenses Sold	653,889	547,861
Forest Products Harvested (in million board feet)	302	301
Fires Responded to on IDL Land	408	287
Park Visitation (in thousands)	6,846	6,003
Recreational Registrations (in thousands)	312	296

Education

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

Degrees Awarded

	2021	2022	2023
Associate	3,718	3,916	4,034
Bachelor's	7,621	7,499	7,455
Master's	1,991	2,150	2,188
Doctorate	469	521	456

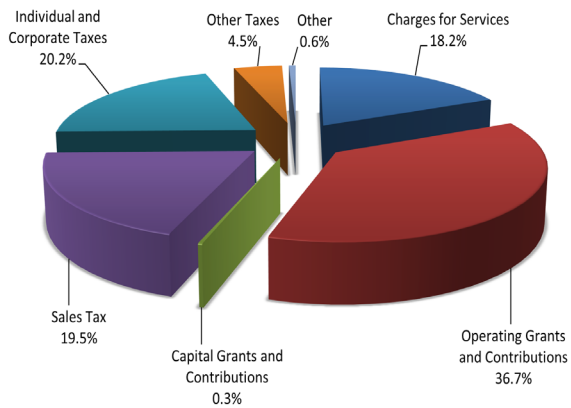
Target: No state-wide target has been identified.

Idaho's Finances

Revenues and Expenses

Primary Government Revenues

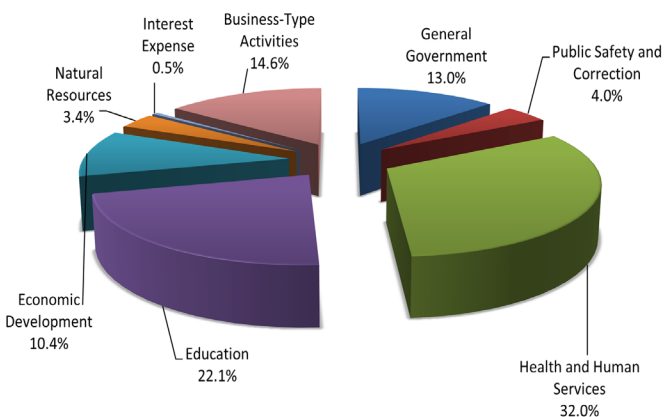
Fiscal Year 2023 Revenues by Source



Revenues by Source (dollars in thousands)	2022 Revenues	2023 Revenues	Change
Charges for Services	\$ 2,402,766	\$ 2,850,709	18.6%
Operating Grants and Contributions	4,852,727	5,753,249	18.6%
Capital Grants and Contributions	81,487	45,903	(43.7)%
Sales Tax	2,951,911	3,056,021	3.5%
Individual and Corporate Taxes	3,579,163	3,159,670	(11.7)%
Other Taxes	671,766	708,561	5.5%
Other	(20,297)	98,960	(587.6)%
Total Revenue	\$ 14,519,523	\$ 15,673,073	7.9%

Primary Government Expenses

Fiscal Year 2023 Expenses by Source



Expenses by Source (dollars in thousands)	2022 Expenses	2023 Expenses	Change
General Government	\$ 1,224,305	\$ 1,895,543	54.8%
Public Safety and Correction	530,618	584,976	10.2%
Health and Human Services	4,275,448	4,685,819	9.6%
Education	3,013,362	3,231,984	7.3%
Economic Development	1,130,795	1,526,729	35.0%
Natural Resources	407,123	497,839	22.3%
Interest Expense	60,241	70,377	16.8%
Business-Type Activities	1,898,200	2,136,796	12.6%
Total Expenses	\$ 12,540,092	\$ 14,630,063	16.7%

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

Future Challenges

Tax Relief

In his 2023 State of the State and Budget Address, the Governor announced that \$2.7 billion in immediate tax relief was deployed in four ways: slashing payroll taxes for small businesses, increasing the grocery tax credit, giving Idahoans the largest-ever reimbursement of their property taxes in 2020, and back-to-back-to-back income tax rebates and back-to-back-to-back tax cuts for both personal income and corporate income. The tax rebates helped thousands of small businesses across Idaho, as well as senior citizens on fixed income, providing relief from rising inflation. In addition, the income tax from six tax brackets were taken down to one, which created a fair, predictable, and lower flat income tax.

The governor outlined that part of his Idaho First plan puts another \$120 million toward property tax relief to answer the call for help from Idahoans. He stated that long-range strategic investments would continue to be made in roads, water, and other key areas and by further investing in local infrastructure, water quantity and water quality infrastructure, and local roads in bridges, Idaho is creating additional property tax relief for its citizens. Finally, the governor relayed that Idaho will continue to help keep taxes low, but we must do so responsibly; we must be prudent; and we must make wise decisions that stand the test of time.

Idaho's Outlook

Economy

According to the October 2023 Economic Forecast, published by the Idaho Division of Financial Management, their model predicts that Idaho's economy will continue to grow faster than the nation overall. Idaho is expected to continue to experience higher than national rates of net migration and job growth. Idaho's personal income increased by 1.8 percent in the second quarter of 2023, which was well below the national rate of 4.3 percent, and one of the slowest rates for any state. The Bureau of Economic Analysis (BEA) now sees that Idaho's personal income has been around \$4 billion higher than previously estimated since the middle of 2021. The revision was almost entirely attributed to dividends, interest, and rent.

Employment

The state's unemployment rate is still below the nation's and labor markets remain tight in Idaho. Survey data from the Bureau of Labor Statistics and the Idaho Department of Labor shows substantial jobs gains across the past year.

Housing Market

Idaho housing starts have seen a pull-back from the peak period in 2021, and the forecast for starts in the state is largely sideways. Some of this, particularly in the multi-family sector, is that there remain a lot of units to complete but which have already been started. According to Boise Regional Relators, local home prices have fallen some from autumn 2022 to autumn of 2023.

Idaho's Economic Outlook

	2023	2024	2025	2026
Personal Income	\$ 116,117	\$ 123,436	\$ 131,626	\$ 140,982
Percentage Change	5.8%	6.3%	6.6%	7.1%
Wages	\$ 51,377	\$ 55,873	\$ 60,432	\$ 65,199
Population	1,966,398	1,996,663	2,026,390	2,051,878
Nonfarm Employment	851,065	878,787	904,572	930,874
Housing Starts	17,105	19,842	18,963	18,560



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

