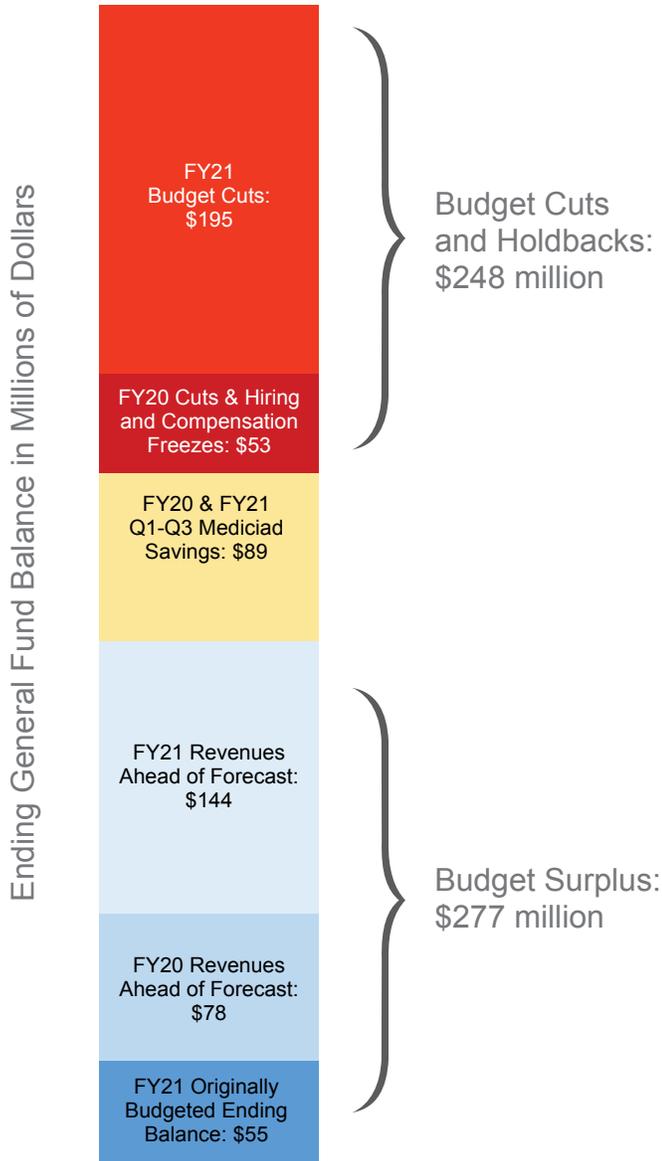


Excluding Budget Cuts, Idaho's FY21 Budget Surplus is \$277 Million



In 2020, a governor-issued 5 percent “holdback” for FY21 led to \$98.7 million in cuts to K-12 schools and \$96.5 million in cuts to other public services.¹ Policymakers are expected to restore just half of the K-12 cuts with state revenue but those plans have not yet been approved.

In March 2020, a governor-issued 1 percent “holdback” for the remainder of FY20 resulted in \$19 million in cuts to K-12 schools, \$16.6 million in pay freezes for state employees as well as a general hiring freeze, and various other savings in state agencies.²

Idaho’s Medicaid program received federal funding from an increase in the Federal Medical Assistance Percentage (FMAP), which was put into place to cover increases in enrollment due to the economic downturn and changing utilization patterns during the pandemic. Moving the short-term savings out of Medicaid permanently, which is under consideration, could prompt losses in access to care at a critical time for public health and economic recovery.

Revenue collection ahead of forecasts reflect strong retail sales in the spring and summer when Idahoans received federal income supports that boosted spending.³ These unexpected dollars represent uncommitted funds that could be used to invest in transportation, education, and other areas that support long-term economic growth.

Source: Legislative Services Office and Division of Financial Management

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1. In the fall of 2020, Governor Little allocated \$99 million from federal Coronavirus Relief Funds to public schools for pandemic-related needs like personal protective equipment and supplies and not for backfilling cuts, which is not allowed by the federal government. Executive Order 2020-14, July 1, 2020, accessed at: <https://gov.idaho.gov/wp-content/uploads/sites/74/2020/07/eo-2020-14.pdf>.
 2. Executive Order 2020-05, March 27, 2020, accessed at: <https://gov.idaho.gov/wp-content/uploads/sites/74/2020/03/eo-2020-05.pdf>
 3. The FY 21 revenues above projections do not include money in the state’s Tax Relief Fund, which collects sales tax revenue from out-of-state vendors - that would ordinarily go to the General Fund - and obligates it exclusively to tax cuts. The Fund stands at \$97 million, per correspondence with LSO staff, and after transfers could reach \$136 million.

