INFLATION ADJUSTED PER CAPITA SPENDING

METHODOLOGY

The goal of this project was to measure growth in budgets for the State of Idaho while accounting for population and inflation as significant growth factors.

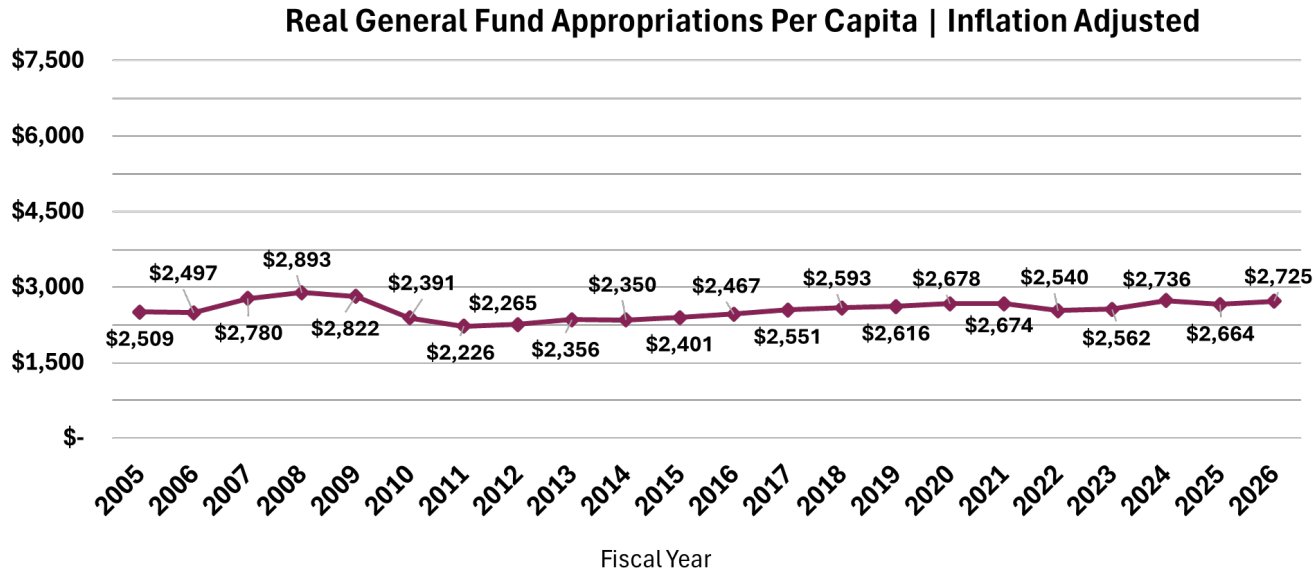
To account for those factors, dollars are shown on a per capita basis. Original appropriation – appropriations set at Sine Die of a given legislative session – are divided by population as reported in that year's version of Idaho Fiscal Facts. For example, FY 2023 original appropriations (as found on page 33 of the 2023 Legislative Fiscal Report) are divided by 2023 Idaho State population as found on page 100 of the 2024 Fiscal Facts publication. Population totals for 2025 and 2026 taken from population projections put forth by the Division of Financial Management.

The second half of the equation is to adjust all per capita figures for inflation, presenting them in 2025 dollars. In other words, the values are converted from nominal to real values using data from the Consumer Price Index (CPI) published by the Bureau of Labor Statistics. The per capita figure is multiplied by an inflation factor calculated using CPI data.

CHARTS

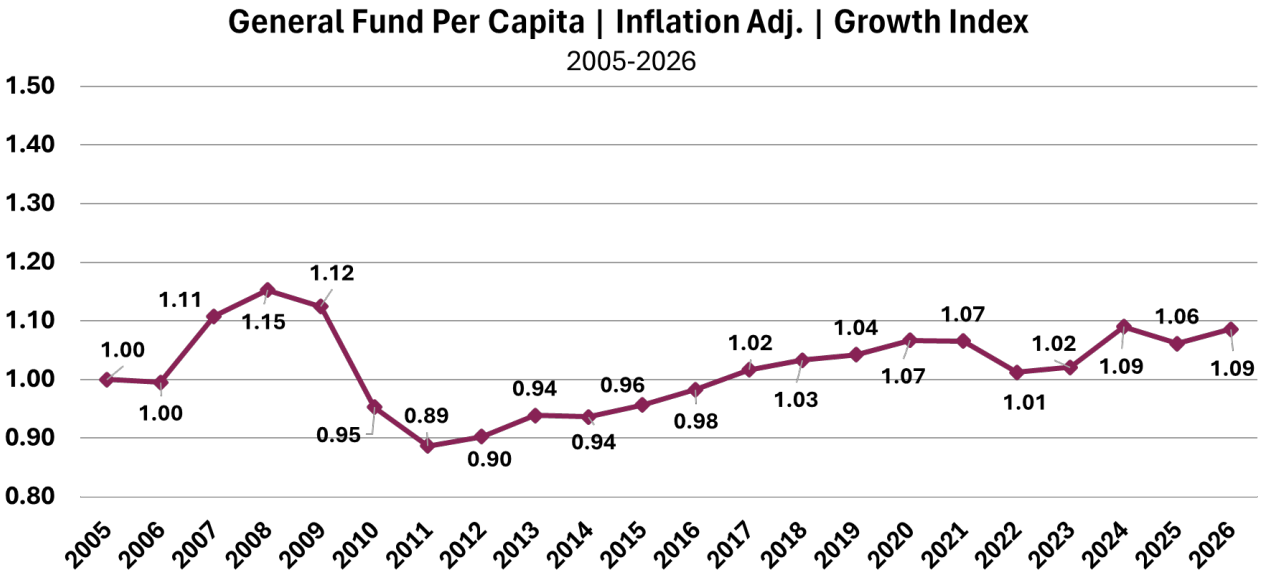
Included in the slide deck are several different methods of displaying information. The data included are original appropriations from the General Fund, state funds (General Funds + Dedicated Funds), and from all appropriated funds from FY 2005-2026. Actual expenditure data are included for those same fund categories for FY 2005-2025. Those figures are divided by total population to present them on a per capita basis and adjusted for inflation to convert them from nominal into real values, as described in the previous section.

All of those data are presented in two ways: The first is as a real per capita dollar figure for FY 2005 through FY 2026 (or FY 2025 if it is an expenditure chart). An example of this chart on the General Fund is shown below:



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The other type of chart included in this slide deck displays the same data as shown in the Real General Fund Appropriations Per Capita Chart but is instead represented as a ratio between the listed year and 2005, which is the first year included in the data set. This chart is shown below:



For example, to reach the 1.09 index value shown for FY 2026, divide $2,725 (FY 2026 Real Per Capita Appropriation) by $2,509 (FY 2005 Real Per Capita Appropriation). The resulting fraction is roughly equal to 1.09. The significance of this figure is that after adjusting for population growth and inflation, General Fund Per Capita Appropriations increased a total of 9% between FY 2005 and FY 2026. This is a 9% increase over 21 years, which is equal to an average annual growth rate of approximately 0.4%.