

Legislative Session Summary



2003
Sine Die Report

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A complete listing of all legislation is available on the Idaho Legislature's site on the Internet. Full text of all bills is included, along with statements of purpose, fiscal notes and legislative action. The Idaho Legislature's World Wide Web address on the Internet is:

www.state.id.us/legislat

Introduction: Key Actions

State finances dominated the First Regular Session of the 57th Idaho Legislature. Facing a possible \$180 million deficit and declining revenue estimates, the 2003 Legislature cut state agency appropriations, increased cigarette taxes, added more tax collectors, and raised the sales tax by a penny for the next two years to bridge the gap.

Not to be lost in the tumult of the financial crisis, legislators also dealt with a myriad of other issues important to the state, from bringing the state's death penalty sentencing statute into line with a recent U.S. Supreme Court ruling to extending health care for children from working-poor families. They debated proposed legislation dealing with "tort reform," seat belt laws, Internet predators, water rights, crop residue burning, health insurance, truck weights, private property rights, election campaign finance reform and wolf management. Among the key decisions on issues and events that occupied the 118-day session, legislators:

- ▶ Brought Idaho's death penalty laws into line with a recent U.S. Supreme Court ruling by requiring juries to determine aggravating circumstances, and adopted a new fixed life sentence for certain first degree murder defendants. (SB 1001)
- ▶ Passed "tort reform" limits on lawsuits that would place a cap on punitive damages and lower the current maximum payments for noneconomic damages for injuries, while leaving actual economic damages unrestricted. (HB 92)
- ▶ In a move designed to protect citizens from sexual predators, required county sheriffs to publish the names, pictures and addresses of violent sexual predators in local newspapers when they move into an Idaho county. (HB 3)
- ▶ Prevented mentally retarded inmates faced with first degree murder charges from being executed. (HB 171)
- ▶ Strengthened the state's seat belt law by increasing the fine for seat belt violations to \$10 and fining the motor vehicle operator if any minor occupant fails to wear a safety restraint, with part of the fine to go to the state's Catastrophic Health Care Fund. (HB 303)
- ▶ Started a transition from federal management of gray wolves to state management under the Idaho Wolf Conservation Management Plan. (HB 294)
- ▶ Passed the Idaho Health Insurance Access Card Act, which expands health care eligibility under the Children's Health Insurance Program (CHIP) and allows parents to enroll their CHIP-eligible children in a new health insurance "access card" program, and created a pilot access card program for low-income adults employed by small business, to be funded by future insurance premium tax surpluses. (HB 376)

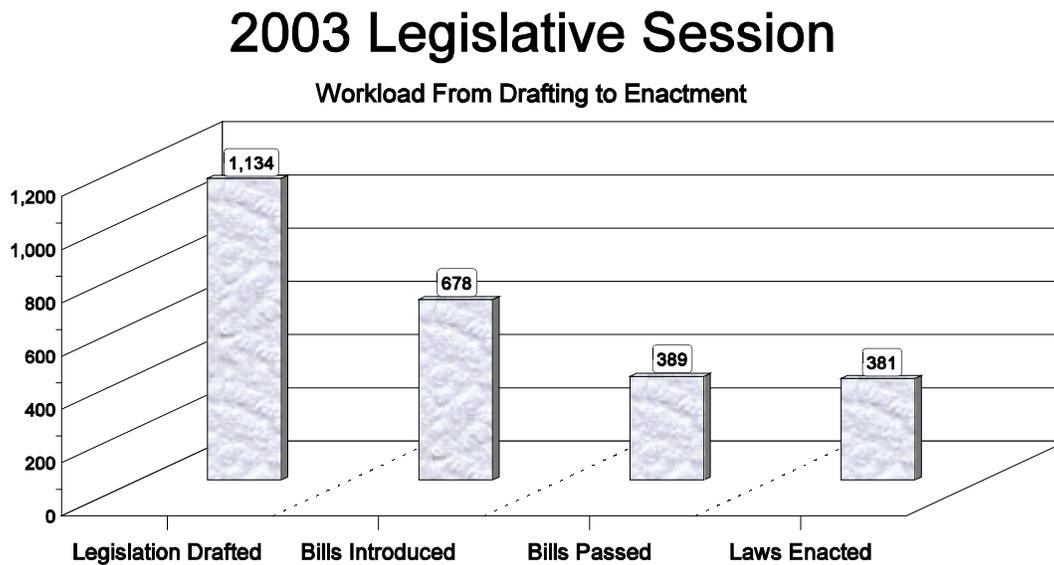
- ▶ Passed two bills aimed at protecting private property owners' rights: One requires local governments to produce an analysis of potential "takings" at the request of a property owner (HB 256); the other requires that governments advise affected property owners of their right to request a regulatory takings analysis. (HB 257)
- ▶ Regulated the payday loan industry by limiting the amount a borrower may get from any one lender to \$1,000 and requiring loan companies to have assets and become licensed through the Department of Finance. (HB 206)
- ▶ Supported a plan to generate an economic impact by bonding to finance \$68 million of construction projects for eight higher education and community college buildings across the state. (HCR 30)
- ▶ Enacted campaign finance reforms recommended by an interim legislative task force to require third parties involved in political campaigns, including judicial elections, to report within 48 hours any late independent expenditures of \$1,000 or more. (SB 1009)
- ▶ Made it more difficult to obtain date rape drugs. (HB 237)
- ▶ Let voters or commissioners in each county decide whether private retailers could sell dessert wines, which have a higher percentage of alcohol. (HB 246)
- ▶ Okayed night driving privileges for licensed 15-year-olds who have completed a driver's education course, as long as they are accompanied by an adult over 21. (HB 103)
- ▶ Encouraged the use of "Amber Alerts" to help find abducted children by holding broadcasters harmless when airing information from law enforcement agencies. (HB 247)
- ▶ Endorsed a 50-year lease of state land to make possible the building of the Tamarack Resort in Valley County. (HB 83)
- ▶ Protected water rights, even if the full right isn't used because of water conservation efforts. (SB 1100)
- ▶ Created the Lake Pend Oreille, Pend Oreille River, Priest Lake and Priest River Commission to help preserve and protect water quality and native fish and wildlife in those water areas. (HB 110)
- ▶ Made it a felony to use the Internet to entice, solicit, seduce, lure or persuade a child to engage in a sexual act, and required guilty parties to register as sex offenders. (HB 266)
- ▶ Outlawed the sale of heavyweight studs on snow tires after July 1, 2005, to cut pavement damage on Idaho highways. (HB 231)

- ▶ Prohibited union members from making political contributions to a union through direct paycheck deposits. (HB 329)
- ▶ Built into current law protections against discriminatory actions because of a parent's disability in child protection legal proceedings, to keep parents from losing their children simply because of a disability. (HB 167)
- ▶ Approved a bill to let state employees collect a bonus of up to \$1,000 if they find ways to save taxpayers' money. (SB 1130)
- ▶ Required that clear explanations, prepared jointly by the Attorney General and Secretary of State, be included on initiative and referendum ballots, to prevent confusion and allow people to better understand the effect of a "yes" or "no" vote. (HB 291)
- ▶ Took steps to stop Internet sales of tobacco products to persons under 18 years of age. (HB 357)
- ▶ Fashioned a Rural Physician Incentive Program to provide school debt repayments to encourage newly trained doctors to locate in Idaho's rural areas. (HB 301)
- ▶ Restricted the information printed on receipts for credit card transactions to increase privacy and help fight identity theft. (HB 134)
- ▶ Let county voters approve enhanced emergency communications fees to ensure that people who need emergency service throughout Idaho, including in mountainous areas, could get the help they need by providing emergency 911 service and location information from cellular phones, as well as standard telephones. (HB 363)
- ▶ Moved to stop questionable city government spending by requiring city councils to establish and maintain an adequate and reasonable system of internal accounting controls. (SB 1071)
- ▶ Established a 10-year pilot project to test the use of heavier 129,000 pound trucks on certain southern Idaho state highways identified by Idaho's sugar beet, potato, wheat and grain, milk and phosphate industries. (HB 395)
- ▶ Required local governments and private owners to provide disabled parking spaces, doubled the fine for illegal parking in a disabled spot, and made it a misdemeanor to illegally possess or distribute a disabled parking decal. (SB 1078)
- ▶ Allowed the Idaho Municipal Bond Bank to combine small scale purchase notes and loans to make it cheaper for cities to buy and lease vehicles and equipment. (HB 267)
- ▶ Exempted property used for charter school purposes from property taxes. (HB 255)
- ▶ Let government agencies contract with private collection agencies to collect debts such as ambulance service fees, civil fines, solid waste services, prisoner reimbursements and other fees. (SB 1108)

- ▶ Placed a 2% surcharge on the sale of liquor through the State Liquor Dispensary, with proceeds to go to a dedicated fund for Drug Courts and Family Court Services in Idaho. (HB 369)
- ▶ Expanded the Idaho Drug-Free Workplace Act to include public employers, allowing state and local governments to have drug-free workplace programs. (SB 1119)
- ▶ Told life insurance companies to pay interest on death benefits if payment isn't made to the beneficiary within 30 days of proof of death. (HB 175)
- ▶ Permitted district courts to accept credit or debit cards to pay court debts, including electronic payment convenience fees established by the Supreme Court. (HB 337)
- ▶ Protected insurance coverage of outdoor recreation enthusiasts by prohibiting denial of health care coverage based solely on participation in activities such as motorcycling, skiing, snowmobiling, snowboarding and horseback riding. (SB 1051)
- ▶ Made it easier for taxpayers to challenge property tax assessments they believe are unfair by showing that the assessment is erroneous by a preponderance of the evidence. (HB 302)
- ▶ Expanded Idaho's smoke-management regulations from just Kootenai and Benewah counties to the state's 10 northernmost counties, transferred enforcement from the Department of Environmental Quality to the Department of Agriculture, and created a safe harbor limiting legal claims for crop residue burning. (HB 391)
- ▶ Authorized the State Treasurer to issue commemorative silver medallions to honor Idaho history, people or resources, with the first medallion to honor Idaho's military heroes, and with sale proceeds to fund the state's veterans cemetery. (HB 415)
- ▶ Took steps to end a 12-year old school facilities lawsuit by allowing local courts to approve an "educational necessity levy" to raise revenues to fix unsafe or unhealthy school buildings, and required that suits be filed in the district courts, and not against the state. (HB 403)
- ▶ Allowed counties to seek voter approval of local-option sales taxes to retire detention facilities debts and to reduce property taxes. (HB 428)
- ▶ Gave a personal property tax break to businesses that are unable to take an income tax investment credit for their equipment investments. (HB 453)
- ▶ Made April 30 "Children's Day/El Dia de los Ninos," to celebrate the value of children and to focus on the importance of creating a future for children full of hope, health and success. (HB 259)

Volume of Legislation and Length of Session

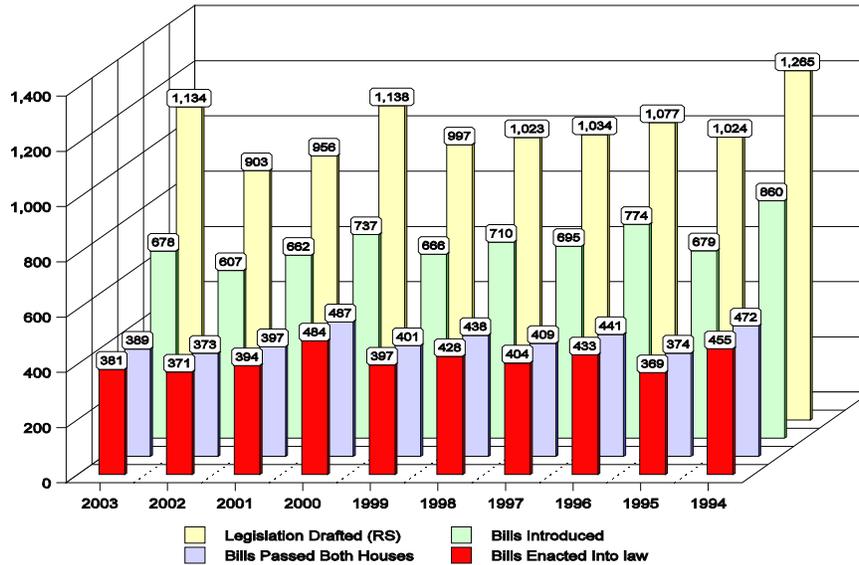
During the 2003 legislative session, 1,134 proposed pieces of legislation were prepared for legislative committees and individual legislators, second in volume only to the 1994 session during the last decade. From that initial group of draft proposals, 678 bills were actually introduced, along with another 81 various resolutions, memorials and proclamations.



By the end of the session, 389 bills had been passed by both houses. Eight bills were vetoed by the Governor (see page 19). Following the Governor's review, 56% of introduced bills entered the law books. In all, 381 bills became law, the majority of which become effective on July 1, 2003.

From Drafting to Enactment

Ten-Year Comparison



Length of Session

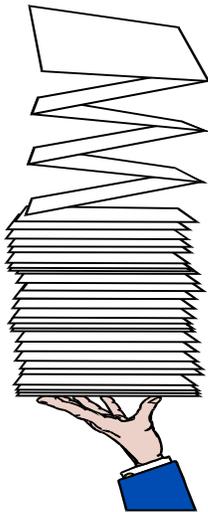
When the Legislature adjourned sine die on May 3, the 2003 session had lasted 118 days, replacing the 1983 session (95 days) as the longest legislative session in Idaho history. (The state's shortest session — 56 days — was in 1943.) The May 3 adjournment was also the latest date on the calendar for a final legislative adjournment.

Length of Recent Legislative Sessions

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
118	68	82	87	68	71	73	68	68	82

Rules Review

During the first few weeks of each legislative session, the Legislature conducts a structured review of rules adopted by state agencies under the Administrative Procedure Act. This little-noticed activity allows legislative committees to hear public testimony from agencies and interested parties on the impact of state agency rules. Under Idaho law, the Legislature has the power to reject agency rules that do not reflect legislative intent, thereby performing an important oversight function in the rulemaking process.



During the 2003 legislative session, standing committees in the Senate and House of Representatives reviewed 253 separate dockets or collections of rules totaling approximately 4,934 pages of text—an increase from last session’s 202 dockets and 4,098 pages.

While the bulk of agency rules met with legislative approval, a number of concurrent resolutions to reject agency rules were adopted following legislative committee review, including topics such as:

- ▶ Rules of the Department of Environmental Quality involving open crop residue burning, subsurface sewage disposal, underground storage tanks, water quality standards and wastewater treatment requirements.
- ▶ Rules governing the receipt and management of federal grants to the State Board of Education.
- ▶ How the Department of Parks and Recreation defines camping units and administers campsites.
- ▶ Licensing requirements and first aid cards for Idaho outfitters and guides.
- ▶ Limitations on adult dental treatments with Medicaid funds.

2003 Legislative Action on Major Issues

Idaho legislators dealt with questions vital to every Idaho citizen during the 2003 legislative session: How will the state generate enough revenue to maintain essential services in a slow economy? Should Idaho's death penalty statute be revised to require juries instead of judges to determine whether the death penalty should be imposed in first-degree murder cases? Can state dollars be stretched far enough to increase health care for children from working-poor families? The following summary includes legislation passed this session by the Idaho Legislature on major issues:

Agriculture/Natural Resources

- ▶ Authorized the Idaho Fish and Game Commission to enter into reciprocal licensure agreements with federally recognized Indian tribes possessing a reservation within the state of Idaho, which will allow persons holding either a state license or a tribal license to hunt, fish or trap wildlife on both state and tribal designated land. (SB 1059)
- ▶ Clarified conduct that constitutes an illegal diversion or use of water, authorized the director of the Department of Water Resources to issue cease and desist orders and revised civil penalty provisions for specified illegal diversion or use of water. (SB 1099)
- ▶ Supported and encouraged water conservation practices by providing that defined activity constituting water conservation will not subject water rights to forfeiture. (SB 1100)
- ▶ Shifted the responsibility and funding for protection of native wild plants and the authority for plant life biological and species management issues from the Department of Parks and Recreation to the Department of Fish and Game, which currently operates the Conservation Data Center where inventories of these plants are maintained. (HB 67)
- ▶ Limited the time of exposure of the Commodity Indemnity Fund when producers deposit grain in warehouses under price-later contracts. In the event a warehouse becomes insolvent, such claims now must be filed within 180 days from the date the contract was executed in order to be eligible for payment from the fund. (HB 102)
- ▶ Authorized the Department of Agriculture and the administrator of the Division of Animal Industries to regulate or prohibit the importation or possession of deleterious exotic animals in Idaho, and to designate as deleterious exotic animals those animals determined to be dangerous to the environment, livestock, agriculture or wildlife of the state, and provided civil and criminal penalties for violators. (HB 106)
- ▶ Created a Lake Pend Oreille, Pend Oreille River, Priest Lake and Priest River Commission to oversee, plan and select best management plans affecting water quality and quantity in the Pend Oreille/Priest River Basin; and authorized the commission to work with various state and federal agencies to study, investigate, develop and select strategies for the preservation of the native fish, scenic beauty, health, recreation, transportation and commercial purposes necessary and desirable for all the inhabitants of the state. (HB 110)
- ▶ Made the sheriff of each county the official responsible for the command of all search and rescue operations within that county,

with the exception of those under the authority of the Idaho Transportation Department as coordinated with the Division of Aeronautics, operations conducted within the incorporated limits of any city, or operations involving trapped or injured persons whose location is within that of a fire district in charge of such rescues. (HB 113)

- ▶ Clarified that liability for search and rescue operation costs does not extend to persons who are authorized by private property owners to be on the private property, to government officials who enter the private property as part of their official duty, nor persons assisting in a search or rescue effort authorized by a government official. (HB 116)
- ▶ Authorized the Division of Animal Industries to regulate and prohibit, in cooperation with the Department of Fish and Game, certain private feeding of big game animals to protect against disease transmission. (HB 127)
- ▶ Required that all potatoes offered for sale, sold or delivered under contract into or within the state of Idaho for planting in the state be accompanied by a plant health certificate indicating the generational history of the seed and the results of the growing season inspections relating to pests and disease. (HB 129)
- ▶ Required the Department of Environmental Quality to utilize the best available peer reviewed science and supporting studies when proposing rules more stringent or broader in scope than federal rules, and required that certain specific information be included in the rulemaking record when proposing a standard deemed necessary to protect human health and the environment. (HB 150)
- ▶ Authorized ground water district boards to vote on behalf of their members in water district meetings to allow for a more efficient and orderly manner of voting. However,

each individual ground water district member may vote his own water rights at a meeting if they provide written notice prior to the meeting or attend the meeting. (HB 208)

- ▶ Provided that rules of the Department of Environmental Quality relating to opacity standards shall not apply to crop residue burning. (HB 228)
- ▶ Clarified that landowners who grant public access through conservation easements are held harmless from liability claims made by those who recreate on the land. (HB 273)
- ▶ Required that county boards of commissioners enact ordinances and resolutions regulating the siting of confined animal feeding operations, and required that at least one public meeting be held wherein citizens whose primary residence is within one mile, or such greater distance as determined by the county board of commissioners, of the proposed site may provide input to be considered in the county's siting decisions. (HB 283)
- ▶ Clarified the scope of the "local public interest" review in water right applications, transfers and water supply bank transactions and revised criteria to be considered by the director of the Department of Water Resources associated with the determination of applications for appropriation of water, change in point of diversion, place of use, period of use or nature of use of water under established rights, certain exchanges of water and proposed rentals of water from the water supply bank. (HB 284)
- ▶ Authorized the Governor's Office of Species Conservation, with assistance of the Department of Fish and Game, to coordinate an orderly transition from federal management of gray wolves to state management under the Idaho Wolf Conservation Management Plan, including participation in activities regarding nuisance wolves, dis-

cussion of wolf recovery programs, and cooperation with state and federal entities and federally recognized Indian Tribes regarding wolf conflicts in Idaho. (HB 294)

- ▶ Provided that bonds, certificates of deposit and letters of credit be calculated based on indebtedness paid and owed to producers, removed minimum bond requirements and allowed for one bond to cover the commodity dealer law, the bonded warehouse law and the seed indemnity fund law. (HB 307, 308 and 309)
- ▶ Extended designated requirements for crop residue burning to all 10 northern counties, transferred the operation and enforcement of the law from the Department of Environmental Quality to the Department of Agriculture, provided for investigations by the department and imposition of civil penalties against violators and created a safe harbor provision for growers who are in compliance with the law and the rules. (HB 391)
- ▶ Authorized the Department of Environmental Quality to voluntarily enter into agreements to implement multi-year environmental compliance schedules in situations where the person or organization is already in compliance with applicable federal and state environmental laws and rules but desires to take additional actions to improve environmental quality. (HB 394)
- ▶ Established an adoption process for total maximum daily loads (TMDLs) by the director of the Department of Environmental Quality, clarified that TMDLs serve as a plan to assist in attaining compliance with water quality standards, provided for public comments, meetings and appeals, and clarified that TMDLs are not subject to rulemaking requirements. (HB 458)

Commercial Transactions

- ▶ Regulated payday loan practices in Idaho through licensing and oversight by the

Department of Finance. Restricted forms of collateral and certain collection practices, ensured that borrowers may rescind a loan from a payday loan establishment within a certain time frame and required that payday loan establishments disclose specific information to borrowers relating to particulars of the loan. (HB 206)

- ▶ Provided additional protections against identity theft by limiting the amount of information that is allowed to be printed on credit card transaction receipts. Merchants may not print on the receipt provided to the cardholder more than the last five digits of the customer's credit card account number or the expiration date of the credit card. (HB 134)
- ▶ Established procedures by which a contractor who receives notice of a construction defect claim is given the opportunity to repair the defects before a lawsuit is filed, and provided for the drafting of agreements to cure defects and the ability of the plaintiff to bring a legal action if the provisions of the agreement are not fulfilled. (HB 133)
- ▶ Provided requirements for tobacco product sales over the phone or Internet, including age verification, taxation disclosure, business registration and reporting requirements. (HB 357)
- ▶ Required life insurance companies to pay interest on death benefits if payment is not made to a beneficiary within 30 days of proof of death. (HB 175)

Courts

- ▶ Reformed tort liability by repealing exceptions for environmental damages and damages associated with medical devices and pharmaceutical products, reducing the cap on noneconomic damages to \$250,000, imposing limits on punitive damages and enabling defendants to appeal large awards for punitive damages by posting a bond for

compensatory damages and the first \$1 million of punitive damages. (HB 92)

- ▶ Revised the surcharge on the sale of liquor through the State Liquor Dispensary from 15% to 2%, with proceeds to go to a dedicated fund for Drug Courts and Family Court Services in Idaho. (HB 369)
- ▶ Allowed district courts to accept payments made by credit card or debit card. (HB 337)
- ▶ Applied licensing, bonding and other regulatory oversight requirements to bail agents in Idaho. (HB 62)

Criminal Justice & Corrections

- ▶ Revised the definition of rape and clarified the types of situations in which a female subjected to the act of rape will be considered “unconscious of the nature of the act.” (HB 169)
- ▶ Provided immunity to broadcasters airing information supplied by state law enforcement officials related to “Amber Alerts” for the purpose of finding abducted children. (HB 247)
- ▶ Required sheriffs to publish the name, address and photograph of violent sexual predators once a week for three weeks and authorized a \$50 charge to be paid by sex offenders to offset the cost of the publication. (HB 3)
- ▶ Increased the maximum prison sentence for the crime of incest from 10 to 25 years. (HB 123)
- ▶ Exempted from the death penalty persons determined to be “mentally retarded” by a judge and set forth a mandatory minimum of life imprisonment for mentally retarded persons in first-degree murder cases if a jury unanimously finds the existence of a statutory aggravating factor. (HB 171)

- ▶ Made it a felony for adults to knowingly use the Internet to solicit a minor child under the age of 16 to engage in any sexual act, with conviction punishable by imprisonment in the state prison for a maximum of 15 years. (HB 266)

- ▶ Required a jury to determine whether the death penalty should be imposed in first-degree murder cases and set forth a new mandatory minimum of life imprisonment in first-degree murder cases if a statutory aggravating factor is found. (SB 1001)

- ▶ Prohibited persons convicted of murder or voluntary manslaughter from shipping, transporting, possessing or receiving firearms if the conviction was the result of an offense committed by the use of a firearm. (SB 1160)

- ▶ Made it more difficult to obtain date rape drugs by expanding the description of gamma hydroxybutyric acid, moving the substance buprenorphine to the controlled substance schedule and adding any drug product containing gamma hydroxybutyric acid under the penalty provisions for persons being under the influence of controlled substances and being on a public roadway or conveyance. (HB 237)

Education, Higher

- ▶ Changed the name of the “Idaho Promise Scholarship Program” to the “Idaho Robert R. Lee Promise Scholarship Program” in honor of the late Senator Lee, sponsor of the original legislation. (SB 1134)

- ▶ Created a civil relief act to protect the educational status of members of the Idaho National Guard if they are ordered to active duty for more than 30 days. (SB 1137)

- ▶ Created a rural physician incentive program and provided for payments for educational debts from an incentive fund financed with moneys from a surcharge on state support

grants for medical education programs in an effort to encourage physicians to locate in rural areas of Idaho. (HB 301)

- ▶ Revised the definitions of "account owner" and "member of the family" to bring the Idaho College Savings Program into compliance with the Federal Economic Growth and Tax Relief Reconciliation Act of 2001. (HB 68)
- ▶ Excluded as taxable income on the state tax return that portion of a nonqualified withdrawal from the Idaho College Savings Program that has already been included in federal taxable income. (HB 69)

allow student directory information to be released to military recruiters for recruiting, pursuant to the federal requirements. (SB 1175)

- ▶ Provided immunity from defamation for individuals who report threats of school violence to appropriate authorities. (HB 269)
- ▶ Revised the procedure used by the Department of Education to calculate and send bond levy equalization payments to school districts and required districts to report more specific information to the department to facilitate the procedure. (HB 319)

Education, Public Schools

- ▶ Clarified that expenditures made to abate unsafe or unhealthy conditions in public school facilities by repair, renovation or replacement are and have been ordinary and necessary expenses within the meaning of Section 3, Article VIII, of the Constitution of the State of Idaho. (HB 326)
- ▶ Allowed local courts to approve an "educational necessity levy" to raise revenues to fix unsafe or unhealthy conditions in Idaho school buildings, and required that suits be files in the district courts, and not against the state. (HB 403)
- ▶ Established and required school districts and educational agencies to participate in the Idaho Student Information Management System — a secure, centralized data system where public school information is stored, accessed and analyzed — with ongoing costs to be provided annually in the public school appropriation. (HB 367)
- ▶ Provided a district fee structure and clarified tuition payment requirements for the Idaho Digital Learning Academy. (SB 1170)
- ▶ Exempted the prohibition on distribution or sale of mailing or telephone number lists to

Government

- ▶ Brought Idaho law into conformance with the federal Help America Vote Act of 2002. Defined the role of the Secretary of State in administering federal elections, provided for a statewide registered voter list, required rules or directives to outline election grievance procedures and define what constitutes a "valid vote." (HB 162)
- ▶ Amended voting law relating to initiative and referendum measures to require that election ballots include a "clear and concise" statement regarding the effect of a "yes" or "no" vote. (HB 291)
- ▶ Required persons who make independent expenditures of \$1,000 or more for any primary or general election to file a written statement with the Secretary of State detailing the expenditures. (SB 1009)
- ▶ Allowed state and local governments to enter into written contracts with collection agencies for the collection of public debts, including ambulance service fees, civil fines and other fees charged by state and local governments. (SB 1108)
- ▶ Extended certain provisions of the Idaho Drug-Free Workplace Act to enable public

employers who comply with drug testing requirements, within constitutional limitations, to qualify for a reduction in employer premiums for purposes of worker's compensation insurance. (SB 1119)

- ▶ Provided a bonus of up to \$1,000 for state employees who submit suggestions or recommendations that result in taxpayer savings in excess of the amount of the bonus. (SB 1130)
- ▶ Imposed the same requirements currently imposed by state law on land line telephone companies to wireless carriers pertaining to a local option fee of no more than \$1 per month for 911 emergency communication services, required additional auditing and reporting by 911, and required that a joint task force of public safety providers, governments and telecommunications carriers study the Emergency Communications Act regarding governance and statewide application and report to the legislature in 2004. (HB 363)
- ▶ Provided for utilization of the emergency communications fee by a 911 service area and for reimbursement to telecommunications providers. (SB 1178)
- ▶ Established a consistent review process to better enable governments to evaluate whether proposed actions may result in a taking of private property without due process. A takings analysis is only triggered after a written request is filed following a final action being taken by the governmental entity. (HB 256)
- ▶ Extended from two to five years the time during which the State Board of Land Commissioners can use Land Bank funds to purchase other land within the state to provide the board with the needed flexibility to adequately achieve its mandate of maximizing returns to endowment beneficiaries. (HB 305)
- ▶ Added endowment land parcels for lease to

Tamarack Resort near Cascade to the property available for long-term lease by the State Board of Land Commissioners. (HB 83)

Legislative Council Interim Study Committees

Three two-year interim committees were authorized during the 2003 legislative session:

HCR 9 – Energy-Related Issues

SCR 103 – Natural Resources

SCR 116 – Judicial Elections

- ▶ Authorized the State Treasurer to issue commemorative silver medallions to honor Idaho history, people or resources, with the first medallion to honor Idaho's military heroes, and with sale proceeds to be credited to the State Veterans Cemetery Maintenance Fund. (HB 415)
- ▶ Required labor organizations that engage in political activities to keep a segregated fund for political contributions, specified that contributions to the fund be on a voluntary basis and made directly by the donor, and prohibited payroll withholding of funds to be used for political purposes. (HB 329)
- ▶ Reaffirmed the authority of labor organizations to engage in lobbying and voter registration activities as regular membership activities. (SB 1176)

Governments, Local

- ▶ Required city councils to establish and maintain adequate and reasonable systems of internal accounting controls, and required that all claims against a city be approved by the city council prior to payment. (SB 1071)

- ▶ Provided that cities may adopt ordinances to permit the sale of liquor by the drink and to extend the permissible hours of sale for liquor by the drink. (HB 333)
- ▶ Provided that planning and zoning actions taken by local governments may be subject to a regulatory takings analysis; revised notice requirements so that landowners within a specified distance of a proposed action receive notice; provided that an interim ordinance or moratorium may be in effect for not more than one calendar year, and that every final decision concerning a site-specific land use request may be subject to a regulatory takings analysis. (HB 257)
- ▶ Provided that a county representative can initiate civil action, extend the collection window from six months to one year, allow public debt collection fees to be in addition to the amount owing and set provisions for charging fees for collection. (SB 1108)
- ▶ Provided that those who are buying and selling transferable development rights have the discretion as to whether the right will be transferred permanently or only for a fixed period of time, stated in a written contract that must be recorded with the county recorder. (HB 321)
- ▶ Allowed counties to determine whether dessert wines, meaning those wines containing less than 21% alcohol by volume, may be sold in private retail outlets within the county. The law would require the affirmative approval of county commissioners, or the electorate of a county, before sales of dessert wines could occur. (HB 246)
- ▶ Gave the Idaho Bond Bank Authority the power and duty to facilitate the purchase of notes from municipalities to be utilized by a municipality in purchasing, leasing or lease-purchasing tangible personal property when the note was otherwise legally issued and authorized by a municipality and the purchase of the note from a municipality does not violate the state constitution. (HB 267)
- ▶ Allowed counties that wish to do so to return certain severed mineral rights to the land from which they originated. (HB 223)
- ▶ Restricted Idaho cities from making decisions outside of the city boundary when dealing with urban renewal districts. (HB 276)

Health/Welfare

- ▶ Increased health insurance options for children eligible for the Children's Health Insurance Program (CHIP) and low-income adults employed by small businesses by creating the new Health Insurance Access Card program to provide premium assistance to enable families to purchase commercial insurance, provided additional benefits for children who fall within 150% to 185% of federal poverty through an expanded CHIP program, and created a pilot program for low-income adults employed by small businesses. (HB 376)
- ▶ Prohibited exclusion from health insurance benefits of such recreational activities as skiing, snowboarding, off-highway vehicle riding, horseback riding, motorcycling, snowmobiling or similar activities. (SB 1051)
- ▶ Made hospital peer reviews more effective by encouraging physician participation through limiting disclosure of comments designed to improve medical practice standards. (SB 1102)
- ▶ Allowed the issuance of limited permits to polysomnographers to continue to perform their limited scope of duties in the field of respiratory therapy without becoming fully licensed as respiratory therapists, established qualifications for permits, including educational requirements, and placed polysomnographers under the direction of

the Respiratory Therapy Licensure Board. (SB 1165)

- ▶ Clarified that all entities providing health insurance in Idaho are subject to the reporting requirements relating to annual assessments levied by the Small Employer Reinsurance Program and the Individual High Risk Reinsurance Pool. (HB 306)
- ▶ Prohibited discrimination in child protection legal proceedings against parents because of a disability and provided that the factors to be considered in child protection cases include abuse, neglect and abandonment regardless of whether the parent has a disability. (HB 167)
- ▶ Provided that military service of an active member of the Idaho National Guard ordered or called to duty shall not be a substantial or material and permanent change in circumstance in order to modify decreed child custody and visitation privileges. (SB 1136)
- ▶ Allowed a credit to be given against an accrued child support obligation in the limited circumstance that the parent who is obligated to pay child support has physical custody of the child with the knowledge and consent of the custodial parent and provided that this limited change in support requirements does not modify, alter or set aside the terms of the decree. (SB 1115)
- ▶ Called upon Congress to appropriate the funds to allow timely access to health care for veterans. (HJM 11)

Taxation

- ▶ Increased the sales and use tax from 5% to 6% for the period May 1, 2003, through June 30, 2005. (HB 400)
- ▶ Increased the cigarette tax by \$.29 to a rate of \$.57 per package of 20 for the period

June 1, 2003, through June 30, 2005. Revised distribution of moneys collected from the cigarette tax as follows: for fiscal year 2004, \$23.5 million collected from the increase will go to the General Fund and all remaining moneys to the Economic Recovery Reserve Fund. For fiscal year 2005, all moneys collected from the increase will be distributed to the Economic Recovery Reserve Fund. (HB 264)

- ▶ Authorized counties to adopt, implement and collect local-option sales taxes. Required that the measure: 1) be put to the voters and obtain a minimum of 66 2/3% approval; 2) be used for the specific purpose of debt retirement of detention facilities; 3) be set for a period of time 10 years or less; and 4) set forth the rate of taxation and that the rate is not to exceed .5%. Not less than 50% of the revenue generated would be applied to reduce existing property taxes, with the balance used to provide needed services otherwise paid for by General Fund revenues. The measure sunsets on December 31, 2009. (HB 428)
- ▶ Provided an exemption to the increased 1% sales tax for certain contracts entered into agreement prior to April 15, 2003, in which tangible personal property was incorporated into real property. (HB 452)
- ▶ Allowed taxpayers who make new personal property investments in Idaho on and after January 1, 2003, to forego the income tax investment tax credit by electing an exemption from personal property tax for a period of two years. (HB 453)
- ▶ Included the use of property by any person as a residence under the definition of "occupied" for occupancy tax purposes, including occupancy of improvements or use in storage of vehicles, boats or household goods, provided such use is not solely related to construction or sale of the property. (HB 454)

- ▶ Deleted the \$2 credit allowed for electronic filing of tax returns with the State Tax Commission. (HB 130)
- ▶ Updated references to the Internal Revenue Code to conform Idaho income tax to IRS changes made after January 1, 2002; to disallow the special allowance for 30% first-year "bonus depreciation" permitted by subsection (k) of section 168 of the Internal Revenue Code; and to disallow the deduction of certain expenses of elementary and secondary school teachers. (HB 390)
- ▶ Clarified that the state income tax credit for investment in broadband equipment is transferable only by the taxpayer who earned the credit and that the incentive investment state income tax credit is transferable only by the taxpayer who earned the credit. (HB 225)
- ▶ Identified the standard to be applied and the burden of proof requirement in appeals of property tax assessments from one that requires proof that an assessment is manifestly excessive, arbitrary and capricious, or fraudulent and oppressive, to one that requires simply that the assessment is erroneous. (HB 302)
- ▶ Exempted property used for charter school purposes from property taxation. (HB 255)
- ▶ Changed the date by which county auditors must certify the new construction roll to the State Tax Commission from the first Monday of June to the fourth Monday of July; revised a reference to the Farmers Home Administration to the Consolidated Farm Service Agency to reflect a change in federal law; deleted obsolete language relating to taxation of merchandise held for sale from the code section relating to the property tax exemption for property of fraternal, benevolent, or charitable corporations or societies; and permitted additional time for school districts to certify a budget for a school emergency fund levy. (HB 75)

Transportation

- ▶ Established an Idaho Motorcycle Safety Program license plate program to generate funds for the Idaho Motorcycle Safety Training Program administered by the Department of Education. (SB 1011)
- ▶ Established a special Boy Scout license plate program with revenues going to the Boy Scout Council in the county where the plates were sold. (SB 1052)
- ▶ Established the Idaho white water rafting special license plate program with revenues being used for the general education and promotion of Idaho's white water rivers and the rafting and kayaking industries. (SB 1082)
- ▶ Allowed licensed drivers who are 15 years old to drive during nondaylight hours if they are accompanied by an adult licensed driver and if the two are the only occupants of the front passenger section of the vehicle. (HB 103)
- ▶ Increased the availability of designated accessible parking places for disabled individuals who are qualified to use them. (SB 1078)
- ▶ Changed safety restraint law to increase the fine from \$5 to \$10, with increased revenues being deposited in the state's Catastrophic Health Care Fund; allowed any occupant in a car 18 years or older who is not properly restrained to be issued a citation; and allowed for citation of drivers at least 18 years old if any occupant under 18 is not properly restrained. (HB 303)
- ▶ Prohibited the use of studded tires between May 1 and September 30, and established new weight and protrusion standards for studs in tires beginning July 1, 2005. (HB 231)

- ▶ Established a 10-year pilot project on specified Idaho state highways for the use of specially configured trucks to carry loads up to 129,000 pounds by permit to test if the total number of truck trips can be substantially reduced. (HB 395)
- ▶ Allowed a longer overall bumper-to-bumper length up to 115 feet for commercial vehicle configurations such as triples and turnpike doubles to operate on routes they are currently operating on by permit at 105 feet, but did not increase the allowable length of the cargo-carrying units. (SB 1053)
- ▶ Required a planning and zoning commission's review of a permit application for a new public school facility to look carefully at the effects of vehicular, bicycle and pedestrian traffic on adjacent roads and highways, and the review of reports of nearby highway jurisdictions on whether the highway systems can satisfactorily accommodate the proposed school project. (HB 229)

Bills Vetoed by the Governor

HB 332 - Appropriated \$3,485,800 to the Office of the Governor for the Commission for the Blind and Visually Impaired for fiscal year 2004 and limited the number of full-time equivalent positions to 39.50.

HB 344 - Appropriated \$17,191,800 to the State Board of Education for the Division of Vocational Rehabilitation for fiscal year 2004, limited the number of full-time equivalent positions to 150 and expressed legislative intent regarding the sharing of resources.

HB 397 - Prohibited issuance of any additional bonded indebtedness from the Permanent Building Fund beyond that authorized by the Legislature prior to June 30, 2003.

SB 1143 - Provided legislative intent regarding reduced state revenues and reduced FY 2003 appropriations to state agencies by 5%, except Department of Correction - 4%, Higher Education - 3%, Department of Health and Welfare - 2% and Public Education - 1%.

SB 1144 - Appropriated \$11,203,300 to the Office of the Governor for the Commission on Aging for fiscal year 2004 and limited the number of full-time equivalent positions to 15.

SB 1151 - Appropriated \$19,812,200 to the Department of Water Resources for fiscal year 2004, limited the number of full-time equivalent positions to 175 and provided for a transfer of moneys to the Water Resources Adjudication Fund.

SB 1154 - Appropriated \$25,570,200 to the Department of Agriculture for fiscal year 2004 and limited the number of full-time equivalent positions to 181.60.

SB 1159 - Appropriated \$423,872,400 to the Idaho Transportation Department for fiscal year 2004 and limited the number of full-time equivalent positions to 1,838.

Budget Summary

Legislators of the First Regular Session of the Fifty-seventh Idaho Legislature faced one of the most challenging fiscal situations since the beginning of the modern era over 30 years ago when the Legislature began meeting in annual sessions. A dismal national economic picture continued to drive Idaho revenue collections below expectations, forcing the Governor and the Legislature to come to grips with a budget shortfall approaching 10%. The Governor's spending plan called for a cent and a half increase in the sales tax and an increase in the cigarette tax.

After a record-setting 118-day session, the Idaho Legislature ultimately settled on a budget blueprint that called for a one-cent sales tax increase, a cigarette tax increase, and a spending plan that cut about \$20 million from the Governor's budget recommendation. While resolving the revenue and spending issues was a lengthy and difficult process, Idaho is one of the few states in the country to have closed its budget gap and brought ongoing spending commitments in line with ongoing revenues.

Fiscal Year 2003 Budget Issues

The Economic Outlook Committee projected that ongoing revenues would increase 3.7% over the previous year, yielding about \$1.753 billion for the FY 2003 budget. However, the original ongoing spending commitments for the current year were about \$1.967 billion, a difference of \$214 million. The Legislature closed the majority of that gap by transferring all of the state's available cash reserves, which totaled about \$192.8 million, to the General Fund. The remainder of the gap was closed with a one-cent sales tax increase that went into effect May 1, generating about \$13 million for the current year, and by a spending reduction plan that reduced most state agency budgets 3.5% (public schools and higher education were exempt) and saved about \$19.5 million (see the table on the following page). It remains to be seen if revenues will ultimately attain projected levels for the year. Through April, with only two months remaining in the fiscal year, revenues were running behind by about \$32 million.

Fiscal Year 2004 Budget Issues

The fiscal year 2004 budget was based upon a revenue projection of 4.3% over the FY 2003 ongoing projection. The biggest challenge for FY 2004 was replacing the \$192.8 million in one-time money used to support FY 2003. Ultimately the Legislature enacted a combination of selected budget reductions and tax increases. The average budget reduction for most small- to medium-sized agencies was 5.7%. Those agencies and institutions that received increases were public schools (2.5%), higher education (2.1%), and Health and Welfare (4.5%). Overall, General Fund spending increased 1.8% from the original FY 2003 appropriation (see the table on page 22). However, in order to support this budget, primarily to protect Education and Health and Welfare, the Legislature also increased revenues about \$183 million, enacting a one-cent sales tax increase expected to generate about \$160 million and increasing the cigarette tax from 28 cents to 57 cents per pack.

For the second year in a row there was no funded salary increase for state employees, although about two-thirds of the anticipated increase in health insurance costs was covered with an appropriation. Highlights of budget action for selected agencies begins on page 25.

GENERAL FUND SUMMARY

FISCAL YEAR 2003

<u>REVENUES AND TRANSFERS</u>	<u>Budget Summary</u>
1. Beginning Balance	\$ 1,416,200
2. FY 2003 Economic Outlook Committee (3.71% incr.)	1,753,100,000
3. Sales Tax increase (HB 400)	13,000,000
4. Income tax electronic filing (HB 130)	290,000
5. Subtotal of Ongoing Revenues	1,766,390,000
Transfers from Various Cash Reserves	
6. Transfer from Budget Stabilization Fund	53,090,000
7. Transfer FY 2003 tobacco payment	26,350,000
8. Transfer from Permanent Building Fund	55,000,000
9. Transfer from the Millennium Fund	40,200,000
10. Transfer from Capitol Endowment Fund	7,900,000
11. Transfer from Risk Management Fund	5,000,000
12. Transfer from Water Pollution Control Fund	3,000,000
13. Transfer from Consumer Protection Fund	1,128,500
14. Transfer from Multistate Tax Commission Fund	1,100,000
15. Subtotal of transfers from cash reserves	192,768,500
16. Less transfers to Deficiency Warrant Funds	(4,516,500)
17. TOTAL REVENUES AND TRANSFERS	\$ 1,956,058,200
 <u>APPROPRIATIONS</u>	
18. Original Appropriations	\$ 1,967,895,400
19. Reappropriations	1,416,200
20. Net Supplementals	(50,700)
21. 3.5% Holdback (SB 1194)	(19,476,900)
22. TOTAL APPROPRIATIONS	\$ 1,949,784,000
23. ESTIMATED ENDING BALANCE	\$ 6,274,200

FISCAL YEAR 2004

<u>REVENUES AND TRANSFERS</u>	
24. Beginning Balance (from FY 2003)	\$ 6,274,200
25. FY 2004 Revenue Estimate (4.3% increase)	1,828,700,000
26. Increase sales tax from 5% to 6% (HB 400)	160,000,000
27. Exempt pre-existing contracts (HB 452)	(9,000,000)
28. Cigarette Tax increase (HB 264)	23,500,000
29. Taxpayer Liability (HB 74)	250,000
30. Delinquent Taxpayer (HB 76)	200,000
31. IRS Code Reconciliation (HB 79)	(50,000)
32. Repeal Credit/\$2.00 filing (HB 130)	293,200
33. Civil Court Fees (SB 1028)	(328,900)
34. Tax Compliance positions (SB 1201)	9,079,200
35. Subtotal of new revenues (lines 26 through 34)	183,943,500
36. Transfer to Democracy Fund (HB 460)	(167,000)
37. TOTAL REVENUES AND TRANSFERS	\$ 2,018,750,700
 <u>APPROPRIATIONS</u>	
38. Total JFAC Action Original FY 2004 Appropriations	\$ 2,004,053,000
40. ESTIMATED ENDING BALANCE	\$ 14,697,700

General Fund Comparison by Agency

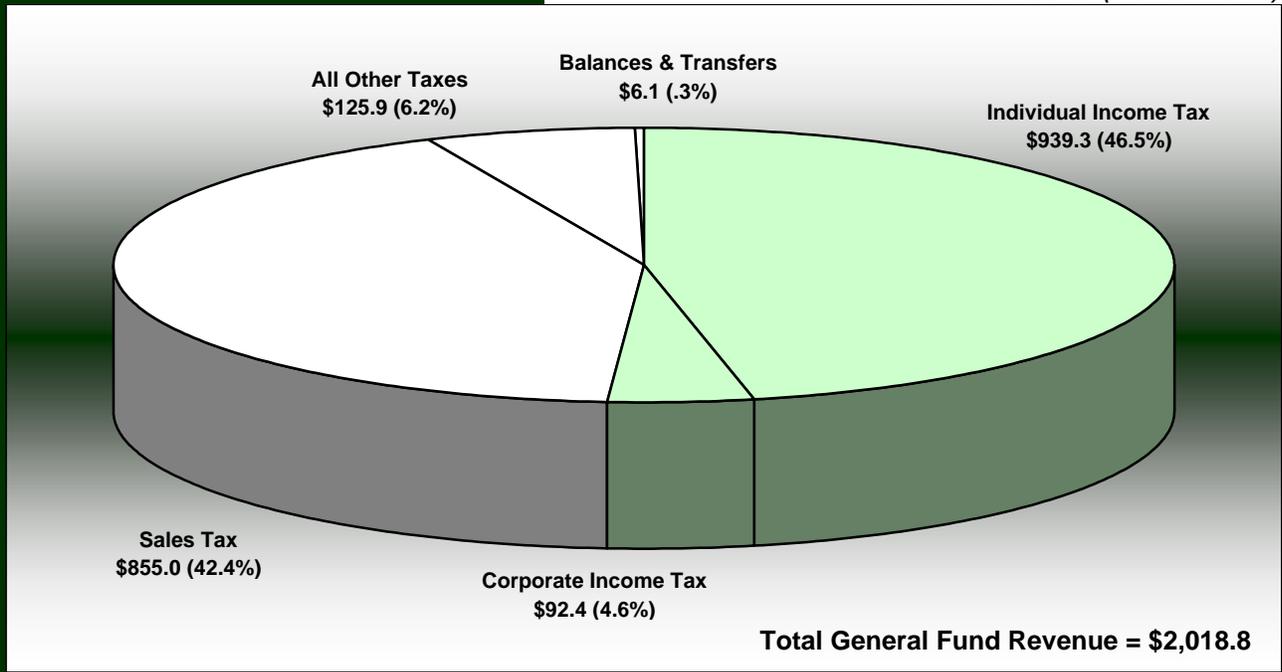
	FY 2002 Actual Expenditures	FY 2003 Original Approp.	Negative Supplemental	FY 2003 Final Approp.*	FY 2004 JFAC Action	Percent Change from Orig
1 Education						
Public School Support	909,645,600	920,000,000	0	920,000,000	943,000,800	2.5%
Agric. Research and Extension	23,983,500	23,316,400	0	23,316,400	23,816,600	2.1%
College and Universities	228,925,300	213,558,800	0	213,558,800	218,000,000	2.1%
Community Colleges	19,861,000	18,821,600	0	18,821,600	19,223,900	2.1%
Deaf and Blind, Idaho School	6,995,700	7,051,500	0	7,051,500	7,183,600	1.9%
Education, Office of State Bd.	2,495,500	5,438,000	(190,300)	5,247,700	5,067,500	(6.8%)
Health Education Programs	6,637,500	7,223,400	0	7,223,400	7,525,700	4.2%
Historical Society	2,370,500	1,907,100	(66,700)	1,840,400	1,923,700	0.9%
Library, State	2,787,500	2,439,300	(64,400)	2,374,900	2,418,600	(0.8%)
Professional-Technical Educ.	45,810,000	43,292,200	0	43,292,200	44,219,700	2.1%
Public Broadcasting System	7,603,200	1,929,700	(67,500)	1,862,200	1,528,200	(20.8%)
Special Programs	8,645,400	9,683,300	0	9,683,300	9,628,300	(0.6%)
Superintendent of Public Instr.	5,505,200	5,477,000	(191,700)	5,285,300	5,130,900	(6.3%)
Vocational Rehabilitation	3,939,500	3,819,100	(133,700)	3,685,400	3,673,000	(3.8%)
Total Education	\$1,275,205,400	\$1,263,957,400	(\$714,300)	\$1,263,243,100	\$1,292,340,500	2.2%
2 Health and Human Services						
Catastrophic Health Care	9,600,000	8,748,600	(306,200)	10,442,400	8,126,700	(7.1%)
Health and Welfare, Dept. of	344,886,800	359,646,300	(6,738,100)	353,208,200	375,810,800	4.5%
Public Health Districts	10,134,100	9,779,800	(342,300)	9,437,500	9,166,300	(6.3%)
Total Health & Human Services	\$364,620,900	\$378,174,700	(\$7,386,600)	\$373,088,100	\$393,103,800	3.9%
3 Public Safety						
Correction, Department of	108,291,900	112,236,100	(3,928,300)	105,994,300	109,000,000	(2.9%)
Judicial Branch	25,385,100	25,688,800	(899,100)	24,789,700	24,474,000	(4.7%)
Juvenile Corrections, Dept. of	32,480,900	32,793,300	(1,147,800)	31,528,300	31,648,200	(3.5%)
Police, Idaho State	18,965,100	18,152,800	(635,300)	17,517,500	16,978,400	(6.5%)
Total Public Safety	\$185,123,000	\$188,871,000	(\$6,610,500)	\$179,829,800	\$182,100,600	(3.6%)
4 Natural Resources						
Environmental Quality, Dept. of	18,718,600	15,668,300	(548,400)	15,119,900	15,146,000	(3.3%)
Fish and Game, Dept. of	0	0	0	0	0	
Land, Board of Commissioners	4,729,400	4,766,900	(166,800)	4,600,100	4,773,000	0.1%
Parks and Recreation, Dept. of	8,833,700	8,622,700	(301,800)	9,633,000	6,642,500	(23.0%)
Water Resources, Dept. of	11,015,900	10,060,600	(352,100)	9,708,500	9,919,200	(1.4%)
Total Natural Resources	\$43,297,600	\$39,118,500	(\$1,369,100)	\$39,061,500	\$36,480,700	(6.7%)
5 Economic Development						
Agriculture, Department of	10,645,000	9,892,000	(346,200)	9,545,800	9,357,400	(5.4%)
Commerce, Department of	7,037,900	6,687,900	(234,100)	6,453,800	6,242,500	(6.7%)
Finance, Department of	0	0	0	0	0	
Industrial Commission	0	0	0	0	0	
Insurance, Department of	0	0	0	0	0	
Labor, Department of	471,100	546,200	(19,100)	527,100	435,800	(20.2%)
Public Utilities Commission	0	0	0	0	0	
Self-Governing Agencies	4,682,600	3,463,800	(121,300)	3,342,500	3,421,700	(1.2%)
Transportation Dept., Idaho	321,700	0	0	0	0	
Total Economic Development	\$23,158,300	\$20,589,900	(\$720,700)	\$19,869,200	\$19,457,400	(5.5%)
6 General Government						
Administration, Department of	4,408,900	3,107,500	(108,800)	2,998,700	8,814,700	183.7%
Building Fund Advisory Council	0	0	0	0	0	
Attorney General	16,939,000	14,112,300	(493,900)	13,618,400	13,891,400	(1.6%)
Controller, State	5,975,400	5,540,400	(193,900)	5,346,500	5,046,900	(8.9%)
Governor, Executive Office of	15,611,400	15,611,400	(525,700)	15,085,700	15,875,200	1.7%
Legislative Branch	9,959,000	9,833,100	(344,200)	9,593,000	9,186,000	(6.6%)
Lieutenant Governor	131,600	121,300	(4,200)	117,100	114,500	(5.6%)
Revenue & Taxation, Dept. of	30,802,200	24,403,400	(849,100)	23,554,300	24,470,700	0.3%
Secretary of State	2,975,900	3,209,700	(112,300)	3,097,400	1,983,700	(38.2%)
Treasurer, State	1,235,400	1,244,800	(43,600)	1,281,200	1,186,900	(4.7%)
Total General Government	\$88,038,800	\$77,183,900	(\$2,675,700)	\$74,692,300	\$80,570,000	4.4%
Statewide Total	\$1,979,444,000	\$1,967,895,400	(\$19,476,900)	\$1,949,784,000	\$2,004,053,000	1.8%

* Final Appropriation also includes Carryover and Supplementals

FY 2004 General Fund Revenue & Appropriations

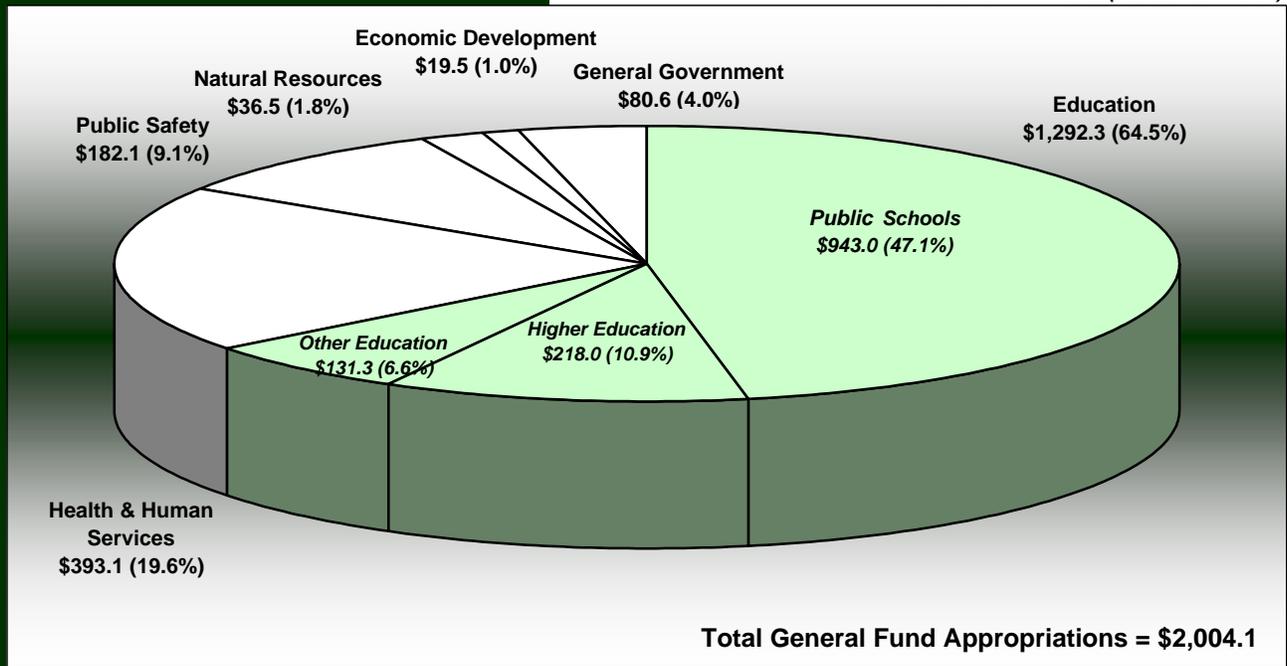
"Where the money comes from . . ."

Dollars In Millions (Percent of Total)



"Where the money goes . . ."

Dollars In Millions (Percent of Total)

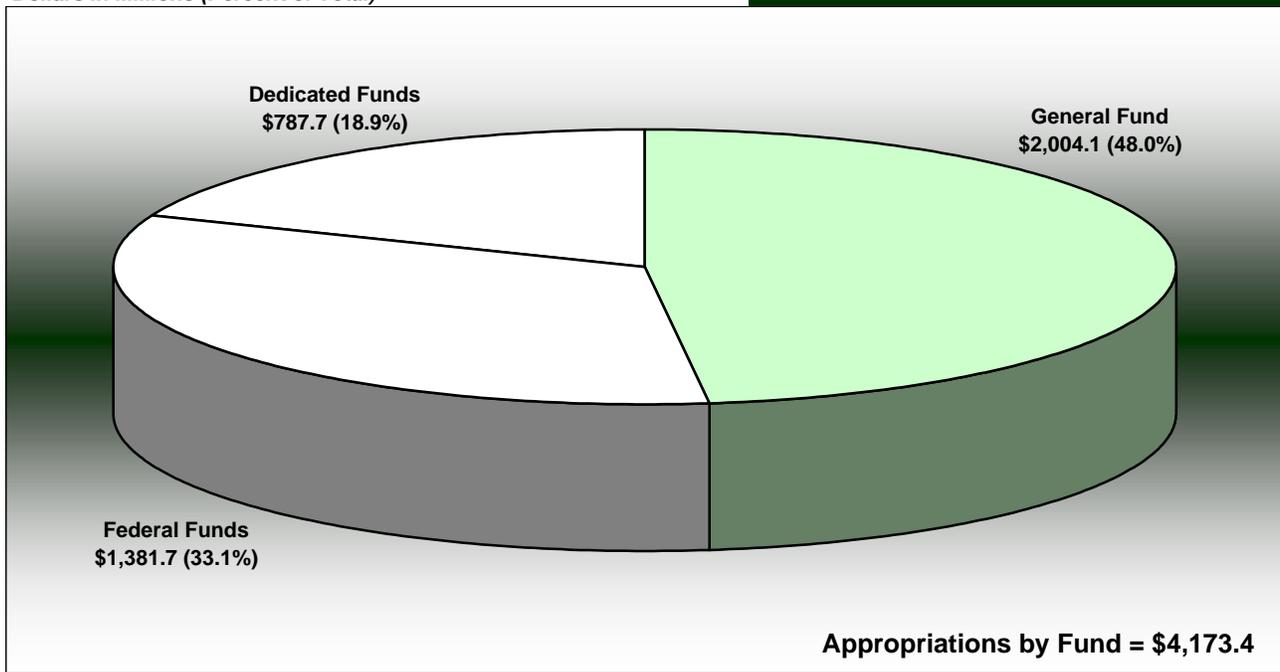


(Revenue less Appropriations = \$14.7 million)

FY 2004 All Appropriations by Fund & Function

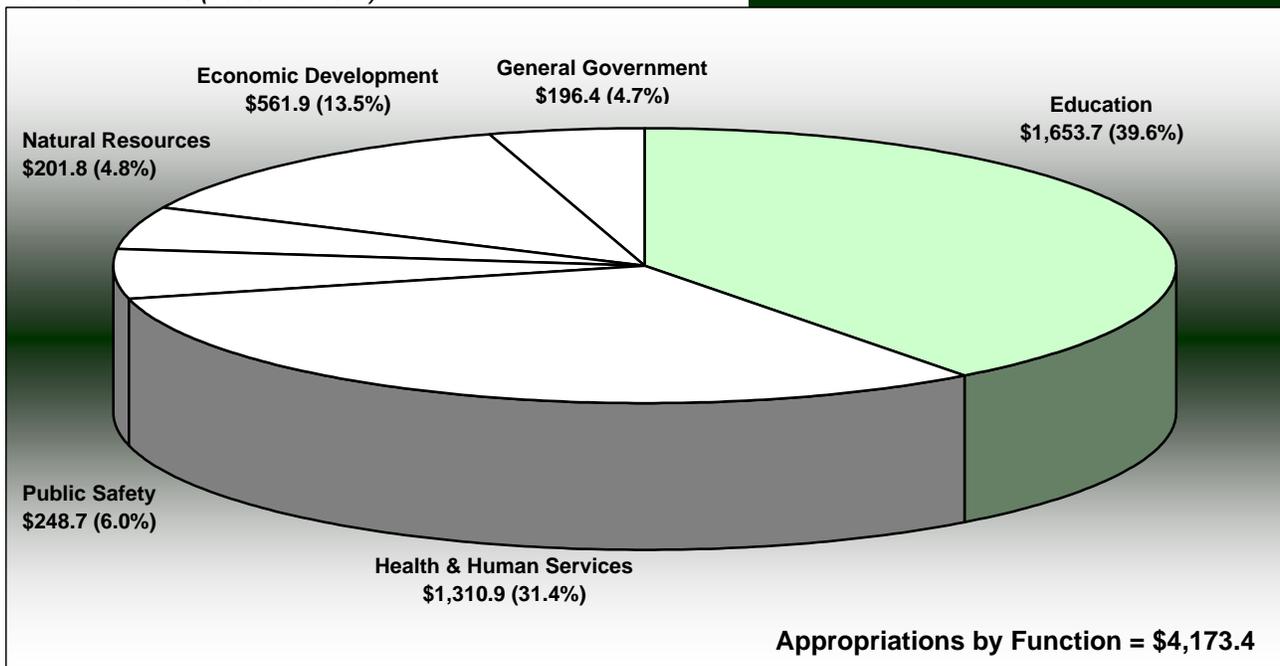
"Where the money comes from . . ."

Dollars In Millions (Percent of Total)



"Where the money goes . . ."

Dollars In Millions (Percent of Total)



Selected Budget Highlights

Public Schools: The General Fund appropriation for public schools increased by 2.5% in FY 2004, from \$920 million to \$943 million. A detailed comparison of the public schools program distributions for FY 2003 and FY 2004 is charted on page 32. Previously set in one bill, the public schools appropriation was set using a new, five-division format for FY 2004 — Administrators, Teachers, Operations, Children's Programs and Facilities. The budget also reflects, for the first time, the federal funds passed through by the state to local school districts. These pass-through funds had previously been included in the budget of the Superintendent of Public Instruction, which still includes the federal funds that pay for the personnel and operating costs of administering these grants. The budgets for the five divisions, along with attached statutory changes, are summarized as follows:

Division of Administrators (SB 1197)

The budget for the Division of Administrators includes increased funding for estimated enrollment growth equal to 125 new classroom units. It includes normal annual adjustments in the estimated costs of the Early Retirement Program, and funding for the administrators' portion of Achievement Standards Implementation, which is funded 25% from the General Fund and 75% from federal funds. The appropriation also includes three statutory changes. The first caps the experience and education index for administrators. This change is not likely to have any significant effect, since the index for administrators varies little from year to year. It is, however, consistent with the approach for the Division of Teachers. The second change removes the "use it or lose it" provision for administrative staff funding. This will not cost or save the state any money but will provide greater flexibility to local school districts. If districts are able to save money in the area of administrative staffing, they will no longer be required to return the savings to the state, but could instead retain the money as discretionary funds to be spent on local priorities. The third change phases out administrator participation in the early retirement program. The program is still funded in the FY 2004 budget to provide payouts for administrators who are currently applying for early retirement. Administrator participation would end, however, on September 1, 2003, preventing administrators from applying in the future for early retirement.

Division of Teachers (HB 456)

The budget for the Division of Teachers includes increased funding for estimated enrollment growth equal to 125 new classroom units. It also includes normal annual adjustments in the estimated costs of the Early Retirement Program, the Teacher Incentive Award, and funding for the teachers' portion of Achievement Standards Implementation, which is funded 25% from the General Fund and 75% from federal funds. The appropriation includes one statutory change, a cap on the experience and education index for teachers. This change is unlikely to affect hiring decisions, since the cap is allocated proportionately. In the future, the Legislature will annually review the issue of providing state funding for teacher pay increases, rather than have such increases automatically funded through increases in the index. The effect of this change will be to have the issue of increasing funds for teacher pay treated more like a change in employee compensation (CEC) decision for state employees.

Division of Operations (HB 463 & HB 467)

The budget for the Division of Operations increases funding for estimated enrollment growth equal to 125 new classroom units. It includes normal annual adjustments in the estimated costs

of Transportation, Property Tax Replacement, and funding for centrally offered Achievement Standards Implementation training opportunities, which is funded 25% from the General Fund and 75% from federal funds. This budget also funds technology at the current FY 2003 level, provides sufficient discretionary funds to maintain total discretionary funding at the same \$24,447 per classroom unit level that was estimated for the current FY 2003 budget, and places \$7.1 million in the new Public Education Stabilization Fund.

The Operations budget includes three areas of statutory changes. The first deals with the creation and workings of the Public Education Stabilization Fund. The fund could be used to: 1) offset the public schools' proportional share of any midyear General Fund budget cut; 2) replace funds lost to public schools through a reduction in endowment distributions; 3) distribute to public schools any funds necessary to maintain per-support-unit discretionary funds at the level promised by the state, such as would be necessary if the state underestimated enrollment growth; and 4) loan to school districts negatively impacted by the future 110% cap on transportation costs, in cases where the school district is unable to create greater efficiencies, unable to secure an exemption from the State Board of Education, and unable to absorb the impact through the use of fund balances. Borrowed moneys would be paid back from the school district's transportation reimbursement in the following year. Given the lack of rebound in the investment markets and endowment losses, public schools face a potential \$8.5 million shortfall in FY 2003 and a \$6.2 million shortfall in FY 2004. Because there is no stabilization fund in FY 2003, public schools will be forced to absorb the shortfall in the current year. For FY 2004, however, there is \$7.1 million in the Public Education Stabilization Fund that can be used to offset the projected \$6.2 million FY 2004 shortfall and maintain discretionary funding at the \$24,447 per classroom level.

The second area of statutory change deals with the setting of a \$75 million cap on Property Tax Replacement funding. Since \$73 million is required for FY 2004, this cap will not affect the FY 2004 budget. It will almost certainly, however, affect the FY 2005 budget, since local assessed property values have been increasing by an average of about 6% for the last several years. This change will not cause any automatic shift to or increases in local property taxes. School district maintenance and operations levies are still limited to the same three-tenths of 1% that exist currently. School districts would not, however, continue to receive revenue growth based on increases in assessed property values for the one-tenth of 1% that the state has funded since FY 1996.

The third area of statutory change deals with changes to the transportation program. Under the first of these changes, the state would only reimburse for the "basic bus," plus safety features and handicap accessibility features. Additional features would be paid for by the school district. Reimbursable expenses would be capped at 110% of the statewide average in FY 2005. This cap would reduce to 105% in FY 2006 and 103% thereafter. Districts would be able to use the better of their cost per mile or cost per student, as compared to statewide averages for those measures, since urban districts tend to have more efficient costs per student, while rural districts do better with cost per mile.

Division of Children's Programs (SB 1198)

The Division of Children's Programs includes programs providing direct educational or material benefits to children, where funding does not primarily go to paying certificated teachers and administrators. It also includes programs that primarily and specifically provide funding for the separate instruction of identified subgroups of children outside the normal classroom of an Idaho public school. Appropriation highlights include the first state appropriation, in the amount of \$450,000, for the costs of the Idaho Digital Learning Academy (IDLA). This provides funding

for the cost of providing online course materials, often for students in small, rural school districts with limited course offerings. The IDLA, through separate legislation, has been given the authority to charge fees to school districts whose students utilize IDLA services. This, too, will help offset the cost of the program. When this system is fully implemented, it is estimated that the need for state support will decline to \$300,000 a year.

The appropriation for the Division of Children's Programs also provides blanket authority to the State Department of Education to transfer funds between the five divisions of the public schools budget, in any amount necessary, in order to comply with appropriations and Idaho's public schools funding statutes.

Division of Facilities (SB 1196)

The Division of Facilities budget appropriates the State Lottery distribution to public schools "on budget," for the first time. It also utilizes \$825,000 of these lottery funds, which are for public school buildings, for the state's Bond Levy Equalization program (SB 1474, 2002), which provides a state subsidy for public school building construction. The Bond Levy Equalization law and fiscal note attached to SB 1474 did not specify from which source funds would be made available for this program.

College and Universities: The FY 2004 appropriation for the general education programs at the state's four-year college and universities (Boise State University, Idaho State University, University of Idaho, Lewis Clark State College) reflects a 2.1% General Fund increase and a 35% dedicated fund increase. The increase is 11.1% for all funds. This appropriation receives no federal funds. The large dedicated fund increase is due to two years of student fee increases being included in the FY 2004 appropriation. In a typical year, the Legislature sets the higher education appropriation prior to the State Board of Education's April meeting, at which time the Board determines the student fee increase for the coming fiscal year. This year, the College and Universities appropriation had not been set by April 17 when the Board approved up to a 10% student fee increase. Since the \$14.9 million of new FY 2004 fee revenue was known when the Joint Finance-Appropriations Committee set the appropriation on May 2, it was included in the appropriation along with the FY 2003 fees of \$15.2 million that were generated by a 12% fee increase last year. As a result, for the first time, two years of student fee increases are included in a single-year appropriation.

Higher education received funding for several maintenance of current operations (MCO) items for FY 2004: a total of \$3,315,400 was included to cover increases in the employer-paid benefit costs as recommended by the Governor; \$473,900 will pay for interagency State Treasurer, Controller and insurance billings; \$651,900, or just under 50% of the requested amount, will pay for the state's portion of enrollment growth known as Enrollment Workload Adjustment; a fund shift totaling \$1,085,800 moves dedicated fund increases to the General Fund. This is the amount of MCO increases that would normally be carried by student fees and endowment funds. On a final note, due to poor investment performance, the earnings from the dedicated endowment funds decreased by \$1,701,700 but were not replaced with General Fund money, which was a consistent approach for all institutions impacted by endowment fund performance.

The change in General Fund money contained in the FY 2004 appropriation for the Community Colleges (North Idaho College and College of Southern Idaho), the Division of Professional-Technical Education and the Agricultural Research and Cooperative Extension Service matched the 2.1% increase provided in the College and Universities appropriation.

Department of Health and Welfare: Funding for the Department of Health and Welfare totaled \$374.9 million, which is approximately 18.8% of General Fund expenditures passed by the Idaho Legislature for FY 2004. This level of funding represents an increase of \$15.2 million, or 4.2%, over the department's FY 2003 original appropriation. At the same time, the number of authorized positions for the department was reduced by about 194 full-time positions.

This budget received a base reduction of 2%, or \$7.7 million, that impacted programs within Health and Welfare in a variety of ways. It also included: \$2.6 million to cover personnel cost rollups; \$25.3 million to cover a 3% medical inflationary increase in Medicaid and the state hospitals; \$36.8 million to cover caseload increases in Medicaid, increases in insurance costs, and adjustments in Attorney General, State Controller, and State Treasurer fees; and \$200,000 to annualize an approved supplemental appropriation to cover certain costs associated with the involuntary detention of persons with mental illness. In addition, \$3.2 million was shifted from federal funds to the General Fund to cover changes in the federal match rate, and \$120,000 was shifted from the Alcohol Intoxication Treatment Account to the General Fund for continued support of substance abuse services. A fund shift of \$415,600 from endowment funds to the General Fund was not authorized, remaining consistent with the manner in which the Legislature treated such fund-shift requests in other programs. Other policy adjustments that were made are as follows:

- ▶ Family and Community Services – \$177,200 was added to provide a 4% increase in foster care payments for those children who are hard to place, and \$443,400 was added to partially restore reductions made earlier in Sheltered Workshops.
- ▶ Indirect Support Services – Twelve administrative staff were reduced for a savings of \$940,700, and 100 unfunded vacant positions were eliminated.
- ▶ Medicaid – \$657,800 was added for Residential Rehabilitation, \$327,900 for Targeted Service Coordination, and \$499,900 for Targeted Case Management to partially restore previous reductions in these areas. In addition, \$750,000 was added to enhance dental services for adults by providing limited preventive and restorative services to all Medicaid adult clients.
- ▶ Division of Public Health Services – \$600,000 for the purchase of Prevnar Vaccine was shifted from the state to insurance companies for those children having health insurance. This vaccine reduces the chance of children getting pneumococcal infections that can cause such things as ear infections and meningitis and result in long-term complications or death. Currently, the federal Vaccine for Children funding pays the cost of vaccine for children covered by Medicaid and for Native American children. The state has paid for vaccine for all other children, both those uninsured and those insured.
- ▶ Division of Welfare – Eligibility determination for Medicaid and Food Stamps was shifted to the federal government for those individuals qualifying under the Supplemental Security Income program, for a savings of \$500,000 and a reduction of 4.5 positions.

Department of Correction: The FY 2004 appropriation for the Department of Correction totaled \$125,240,400, or 2.8% less than the FY 2003 original appropriation. The department received \$109 million in General Funds for FY 2004, or 2.9% less than its FY 2003 original appropriation. Because the Legislature followed the Governor's recommendation and permanently removed \$2.3 million from county payments in FY 2003 (above the 3.5% budget reduction), and transferred the bond payment for the Idaho Correctional Center to the

Department of Administration budget, the actual difference between the FY 2003 total appropriation and the FY 2004 original appropriation from the General Fund is \$7,058,000, a 6.9% increase. Using the same approach and comparing all funds, the increase over FY 2003 is \$5,824,700, or 4.9%.

- ▶ Inmate Growth – The forecast for prison growth for FY 2003 was 350, and by the middle of May remains relatively flat at nine. At the beginning of the legislative session the growth for FY 2004 was forecasted at 488.
- ▶ Base Reductions – The only base reduction experienced in this agency was \$106,000 in the Support Services Division. All prison facilities, including Offender Programs and Community Supervision, were held harmless from further base reductions.
- ▶ Replacement Items – Significant difference between the bottom line approved by the Legislature and the Governor's recommendation reflects a reduction of \$1,001,000 for replacement items. The department received \$783,300 for replacement items.
- ▶ Contracts – In order to maintain the contract and accommodate projected growth in offenders, the funding for medical services was increased by \$1.2 million, a 10.7% increase from FY 2003. Funding to operate the Idaho Correctional Center was increased by \$985,300, or 4.8%, to meet contractual obligations and to insure the facility.
- ▶ Community Supervision – Ada County notified the state last year it would not continue to pay for pre-sentence reports for felony offenders. In accordance with Idaho Code the state picked up this responsibility at a cost of \$719,500 and 10.5 new employees. Funding of \$371,700 in General Funds for six new staff was authorized by the Legislature to handle the growth in probation and parole caseloads; \$1,110,900 was added for six new probation and parole officers and for one support staff to implement a legislative initiative to restore funding for transitional services and substance abuse treatment services in the community for 400 offenders, including parolees and probationers. Included in this funding was \$25,000 for community transitional services for a pilot Reentry Drug Court for 25 offenders. The Commission of Pardons and Parole received double the staff and funding recommended by the Governor in enhancements to expediently process parole violations and to expand the hearing officer program to another area of the state.
- ▶ Other – Adding modular units, expanding the East Boise Community Work Center and sheltering offenders in tents at St. Anthony added \$262,300 to FY 2004 operation costs.
- ▶ Contingency Fund – \$1 million from the General Fund was appropriated to the Department of Correction, to be made available only upon a request by the Board of Correction to the Governor if additional funds are necessary to support the prison population.

Permanent Building Fund Projects: For FY 2004, the Permanent Building Fund will be used primarily to address building maintenance projects. During FY 2003, \$35 million in Permanent Building Fund maintenance projects were canceled and the money was transferred to the General Fund as part of the effort to balance the state's General Fund budget. To partially address those cancellations, SB 1189 approved \$26.3 million in Permanent Building Fund moneys for maintenance ("alteration and repair") projects. These projects will be completed in

order of priority as determined by the Division of Public Works, in coordination with state agencies.

The FY 2004 Permanent Building Fund appropriation also authorizes two additional capital projects.

- ▶ The first project is for \$2 million, which reflects the Legislature's second authorization of funding for new electronic locking systems for the Idaho Maximum Security Institution (IMSI) and the Idaho Correctional Institution at Orofino. The Legislature approved about \$3 million for this project in FY 2003, but the Governor placed \$2 million of the project on hold as a budget balancing measure. Following the Governor's administrative decision to withhold two-thirds of project funding, the Joint Finance-Appropriations Committee in October 2002 reaffirmed its earlier decision that the project should go forward with the full \$3 million in funding. However, the Governor maintained the administrative holdback of the \$2 million for the project. In SB 1189, the Legislature has once again approved the balance of the funding for the electronic locking systems.
- ▶ The second project reflects \$700,000 for the third and final phase of the statewide microwave communication system. The system will provide improved communication for the state's public safety agencies and will allow Idaho Public Television to convert from analog to digital transmission.

Facilities Bonding: Three related legislative measures provide for the bonding for eight new facilities across the state. Seven of these facilities are associated with higher education institutions, while one facility will be built for the Idaho State Police. Seven of the eight facilities had been at least partially funded previously with Permanent Building Fund moneys, but were canceled as part of the General Fund budget-balancing efforts for FY 2002 and FY 2003. House Concurrent Resolution 30 authorizes various state institutions, community college districts and the Department of Administration to enter into agreements with the Idaho State Building Authority to provide for the sale of bonds to finance the construction of the facilities. The following table includes the facilities authorized in HCR 30:

<i>INSTITUTION/AGENCY</i>	<i>FACILITY</i>	<i>LOCATION</i>	<i>AMOUNT</i>	<i>CUM. TOTAL</i>
N. Idaho College	Allied Health	Coeur d'Alene	\$ 10,994,000	\$ 10,994,000
Univ. of Idaho	Teaching Ctr.	Moscow	\$ 11,729,000	\$ 22,723,000
Lewis-Clark St. College	Activity Ctr.	Lewiston	\$ 10,868,000	\$ 33,591,000
BSU	W. Campus	Nampa	\$ 8,655,000	\$ 42,246,000
Idaho State Police	Training Ctr.	Meridian	\$ 2,286,000	\$ 44,532,000
ISU	Multi-use Ctr.	Pocatello	\$ 12,177,000	\$ 56,709,000
E. Idaho Tech. College	Health Ed.	Idaho Falls	\$ 6,360,000	\$ 63,069,000
College of S. Idaho	Fine Arts Ctr.	Twin Falls	\$ 5,402,000	\$ 68,471,000

The annual debt payment on the bonds will begin in FY 2005 and is estimated to be between \$5.25 and \$5.75 million per year over a 20-year period. Bond payments will be made from the Permanent Building Fund. Measures related to HCR 30 include HB 396, which specifically authorizes community college districts to enter into agreements with the State Building

Authority. In short, HB 396 allows community college facilities to be financed with bonds issued by the State Building Authority.

Idaho Millennium Fund: Due to revenue shortfalls in FY 2003, the Legislature transferred to the General Fund \$16.3 million from the April tobacco settlement payment, as well as the balance of the Millennium Fund, approximately \$40.2 million. In the 2002 legislative session, \$10 million from the 2003 tobacco payments was obligated and transferred to the General Fund for FY 2003. As a result, the entire amount of tobacco settlement payments received in 2003 went to the General Fund.

Budget Stabilization Fund: Last session the Legislature authorized the transfer of \$26,700,000 (SB 1517) from the Budget Stabilization Fund to the General Fund to balance the FY 2003 budget. This session, as the shortfall worsened, SB 1195 transferred the remaining \$26,390,000 balance from the Budget Stabilization Fund to the General Fund. The two transfers eliminated \$53,090,000, the equivalent of 2.7% of the final 2003 appropriation, leaving a balance of just \$34 in the Budget Stabilization Fund.

Public School Breakout by Division

	FY 2003 Approp.	FY 2004 \$943m Budget	Division of Administrators	Division of Teachers	Division of Operations	Div. of Children's Programs	Division of Facilities
STATE APPROPRIATION							
Sources of Funds							
General Fund	\$920,000,000	\$943,000,800	\$72,347,800	\$614,436,700	\$242,891,300	\$13,325,000	\$0
Dedicated Funds	\$65,513,000	\$55,650,000	\$0	\$0	\$41,700,000	\$4,700,000	\$9,250,000
Federal Funds	\$0	\$153,980,000	\$1,540,000	\$50,630,000	\$5,180,000	\$96,630,000	\$0
TOTAL APPROPRIATIONS	\$985,513,000	\$1,152,630,800	\$73,887,800	\$665,066,700	\$289,771,300	\$114,655,000	\$9,250,000
PROGRAM DISTRIBUTION							
Statutory Requirements							
Property Tax Replacement	\$68,935,700	\$73,022,700	\$0	\$0	\$73,022,700	\$0	\$0
Transportation	\$57,654,500	\$61,113,000	\$0	\$0	\$61,113,000	\$0	\$0
Border Contracts	\$1,000,000	\$800,000	\$0	\$0	\$0	\$800,000	\$0
Exceptional Contracts/Tuition Equiv.	\$3,500,000	\$4,000,000	\$0	\$0	\$0	\$4,000,000	\$0
Floor	\$1,300,000	\$1,300,000	\$0	\$0	\$1,300,000	\$0	\$0
Program Adjustments	\$300,000	\$300,000	\$0	\$0	\$0	\$300,000	\$0
Salary-based Apportionment	\$660,086,500	\$666,616,200	\$60,806,900	\$516,650,300	\$89,159,000	\$0	\$0
Teacher Incentive Award	\$560,000	\$654,000	\$0	\$654,000	\$0	\$0	\$0
State Paid Employee Benefits	\$116,084,600	\$117,238,500	\$10,592,600	\$91,114,400	\$15,531,500	\$0	\$0
Early Retirement Program	\$5,500,000	\$4,500,000	\$810,000	\$3,690,000	\$0	\$0	\$0
Bond Levy Equalization	\$0	\$825,000	\$0	\$0	\$0	\$0	\$825,000
Idaho Safe & Drug-Free Schools	\$4,700,000	\$4,700,000	\$0	\$0	\$0	\$4,700,000	\$0
Subtotal -- Statutory Requirements	\$919,621,300	\$935,069,400	\$72,209,500	\$612,108,700	\$240,126,200	\$9,800,000	\$825,000
Other Program Distributions							
Technology Grants	\$8,400,000	\$8,400,000	\$0	\$0	\$8,400,000	\$0	\$0
Idaho Reading Initiative	\$3,300,000	\$3,300,000	\$0	\$0	\$0	\$3,300,000	\$0
Limited English Proficiency (LEP)	\$4,475,000	\$4,475,000	\$0	\$0	\$0	\$4,475,000	\$0
Least Restrict Environ (teacher training)	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$0	\$0	\$0
Gifted & Talented	\$500,000	\$500,000	\$0	\$500,000	\$0	\$0	\$0
Achievement Standards Implementation	\$4,000,000	\$4,000,000	\$553,300	\$3,312,000	\$134,700	\$0	\$0
Beginning Teacher Support Program	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Idaho Digital Learning Academy	\$0	\$450,000	\$0	\$0	\$0	\$450,000	\$0
Classroom Supplies	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0
School Facilities Funding (Lottery)	\$0	\$8,425,000	\$0	\$0	\$0	\$0	\$8,425,000
Federal Funds for Local School Districts	\$0	\$150,980,000	\$1,125,000	\$48,146,000	\$5,079,000	\$96,630,000	\$0
Subtotal -- Other Program Distributions	\$25,675,000	\$181,530,000	\$1,678,300	\$52,958,000	\$13,613,700	\$104,855,000	\$8,425,000
TOTAL CATEGORICAL EXPENDITURES	\$945,296,300	\$1,116,599,400	\$73,887,800	\$665,066,700	\$253,739,900	\$114,655,000	\$9,250,000
EDUCATION STABILIZATION FUNDS	\$0	\$7,135,000			\$7,135,000		
STATE DISCRETIONARY FUNDS	\$40,216,700	\$28,896,400			\$28,896,400		
ESTIMATED SUPPORT UNITS	12,545	12,670			12,670		
STATE DISCRETIONARY PER SUPPORT UNIT	\$3,206	\$2,281			\$2,281		
LOCAL DISCRETIONARY PER SUPPORT UNIT	\$21,241	\$22,166			\$22,166		
TOTAL DISCRETIONARY PER SUPPORT UNIT	\$24,447	\$24,447			\$24,447		

22-Year History of General Fund

Original Appropriations: 1983 to 2004

Millions of Dollars

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare*	Adult & Juv Corrections	All Other Agencies	Total Gen Fund
2004	\$943.0	\$218.0	\$131.3	\$1,292.3	\$375.8	\$140.6	\$195.3	\$2,004.1
2003	\$920.0	\$213.6	\$130.4	\$1,264.0	\$359.6	\$145.0	\$199.3	\$1,967.9
2002	\$933.0	\$236.4	\$142.1	\$1,311.5	\$358.0	\$147.3	\$227.5	\$2,044.3
2001	\$873.5	\$215.0	\$121.1	\$1,209.5	\$282.1	\$123.2	\$189.2	\$1,804.0
2000	\$821.1	\$202.0	\$110.4	\$1,133.4	\$270.7	\$108.5	\$162.1	\$1,674.7
1999	\$796.4	\$192.9	\$103.5	\$1,092.8	\$252.7	\$106.4	\$159.0	\$1,610.8
1998	\$705.0	\$178.6	\$94.4	\$978.0	\$236.6	\$90.3	\$134.0	\$1,438.9
1997	\$689.5	\$178.0	\$94.4	\$961.9	\$238.5	\$78.6	\$133.7	\$1,412.7
1996	\$664.0	\$171.0	\$88.8	\$923.8	\$224.3	\$73.5	\$127.3	\$1,348.8
1995	\$620.5	\$164.5	\$87.8	\$872.8	\$226.9	\$50.3	\$114.2	\$1,264.2
1994	\$528.0	\$146.0	\$75.7	\$749.7	\$192.5	\$44.2	\$98.1	\$1,084.6
1993	\$497.0	\$139.0	\$73.1	\$709.1	\$163.9	\$37.5	\$96.6	\$1,007.1
1992	\$487.5	\$141.4	\$74.0	\$703.0	\$146.9	\$37.5	\$100.0	\$987.4
1991	\$450.1	\$133.3	\$67.9	\$651.3	\$132.7	\$32.3	\$93.3	\$909.5
1990	\$394.3	\$115.5	\$58.3	\$568.0	\$101.1	\$25.1	\$79.4	\$773.7
1989	\$356.0	\$106.0	\$52.3	\$514.3	\$84.0	\$19.3	\$68.2	\$685.8
1988	\$343.0	\$101.7	\$50.2	\$494.9	\$79.3	\$17.0	\$66.2	\$657.3
1987	\$314.0	\$90.7	\$46.5	\$451.2	\$71.7	\$15.3	\$62.7	\$600.9
1986	\$304.0	\$88.0	\$46.5	\$438.5	\$71.5	\$14.9	\$62.7	\$587.7
1985	\$288.8	\$80.9	\$43.7	\$413.3	\$70.2	\$12.7	\$61.9	\$558.1
1984	\$215.0	\$70.0	\$38.7	\$323.7	\$64.1	\$11.5	\$52.4	\$451.6
1983	\$215.0	\$73.6	\$42.7	\$331.2	\$68.6	\$9.9	\$55.0	\$464.7

Percentage of Total

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare*	Adult & Juv Corrections	All Other Agencies	Total
2004	47.1%	10.9%	6.6%	64.5%	18.8%	7.0%	9.7%	100%
2003	46.8%	10.9%	6.6%	64.2%	18.3%	7.4%	10.1%	100%
2002	45.6%	11.6%	7.0%	64.2%	17.5%	7.2%	11.1%	100%
2001	48.4%	11.9%	6.7%	67.0%	15.6%	6.8%	10.5%	100%
2000	49.0%	12.1%	6.6%	67.7%	16.2%	6.5%	9.7%	100%
1999	49.4%	12.0%	6.4%	67.8%	15.7%	6.6%	9.9%	100%
1998	49.0%	12.4%	6.6%	68.0%	16.4%	6.3%	9.3%	100%
1997	48.8%	12.6%	6.7%	68.1%	16.9%	5.6%	9.5%	100%
1996	49.2%	12.7%	6.6%	68.5%	16.6%	5.4%	9.4%	100%
1995	49.1%	13.0%	6.9%	69.0%	17.9%	4.0%	9.0%	100%
1994	48.7%	13.5%	7.0%	69.1%	17.8%	4.1%	9.0%	100%
1993	49.3%	13.8%	7.3%	70.4%	16.3%	3.7%	9.6%	100%
1992	49.4%	14.3%	7.5%	71.2%	14.9%	3.8%	10.1%	100%
1991	49.5%	14.7%	7.5%	71.6%	14.6%	3.5%	10.3%	100%
1990	51.0%	14.9%	7.5%	73.4%	13.1%	3.2%	10.3%	100%
1989	51.9%	15.5%	7.6%	75.0%	12.3%	2.8%	9.9%	100%
1988	52.2%	15.5%	7.6%	75.3%	12.1%	2.6%	10.1%	100%
1987	52.3%	15.1%	7.7%	75.1%	11.9%	2.5%	10.4%	100%
1986	51.7%	15.0%	7.9%	74.6%	12.2%	2.5%	10.7%	100%
1985	51.7%	14.5%	7.8%	74.1%	12.6%	2.3%	11.1%	100%
1984	47.6%	15.5%	8.6%	71.7%	14.2%	2.5%	11.6%	100%
1983	46.3%	15.8%	9.2%	71.3%	14.8%	2.1%	11.8%	100%

* Juvenile Corrections moved from Health and Welfare to "Adult & Juv Corrections" in FY 1996, and the Department of Environmental Quality and Veterans Services moved to "All Other Agencies" in FY 2001.