



FY 2026 & FY 2027 Budget Update

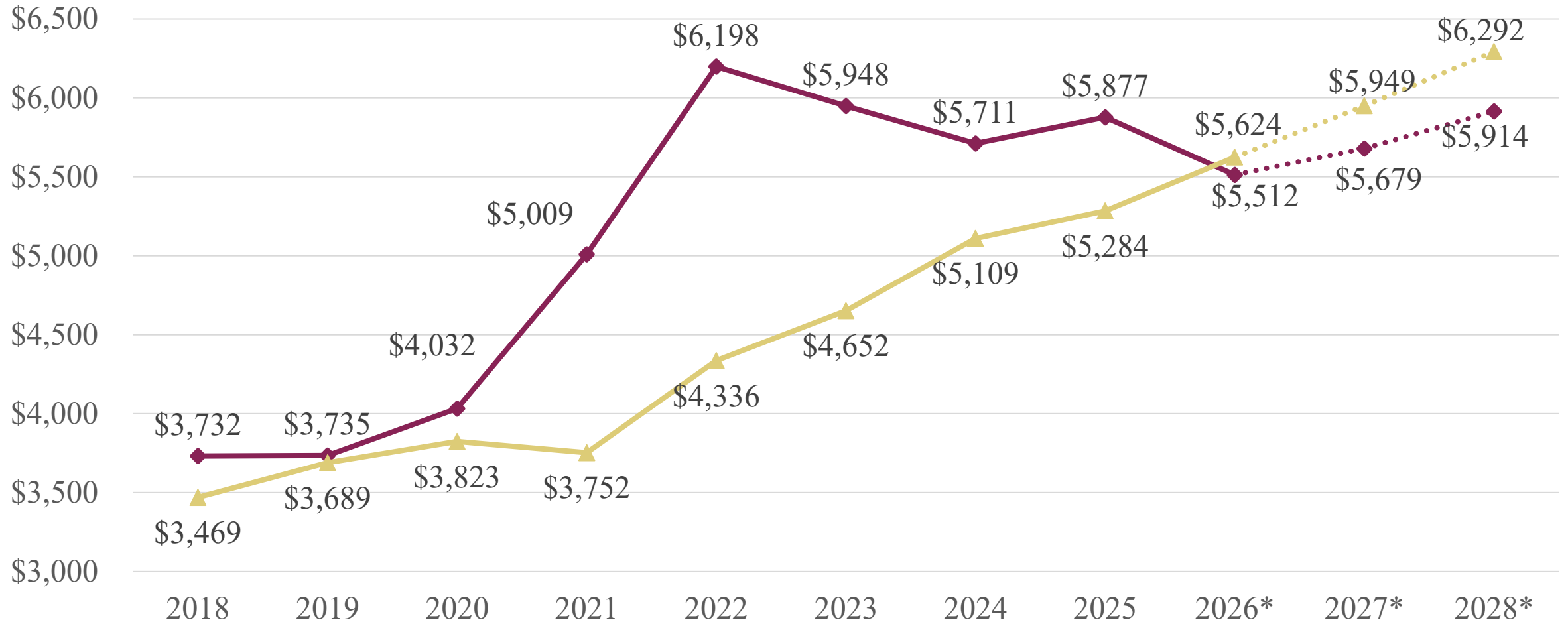
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14 January 2026

Outline

- General Fund Structural Balance
- FY 2026 & FY 2027 General Fund Cash Reconciliation
- FY 2026 & FY 2027 Budget Details
- Stabilization Funds and Cash Balances
- FY 2026 Total Budget
- FY 2027 Total Budget

General Fund Structural Balance (in millions)



◆ General Fund Revenue & Jan. Baseline Forecast

▲ Expenditures & Budgeted Amount

* Governor's revenue projections and FY 2026 Current budget amount. FY 2027-28 uses average annual growth rate of 5.7% from 2013 - 2025

22-Year History Percent Change from Previous Year

Fiscal Year	Public Schools	College & Universities	All Other Education	Total Education	Health & Welfare	Adult & Juv Corrections	All Other Agencies	Total
2026	3.9%	5.1%	7.7%	4.4%	7.7%	5.7%	24.4%	6.8%
2025	(1.7%)	3.2%	3.9%	(0.7%)	6.6%	3.3%	6.9%	1.7%
2024*	16.4%	4.7%	18.1%	15.2%	4.5%	7.2%	12.6%	12.0%
2023	12.5%	8.0%	3.8%	11.2%	8.1%	5.8%	4.1%	9.5%
2022	3.8%	2.0%	5.3%	3.7%	5.0%	0.9%	6.1%	4.0%
2021	4.6%	0.3%	2.5%	3.9%	4.2%	10.6%	(2.9%)	3.9%
2020	6.3%	3.5%	3.9%	5.7%	13.1%	3.6%	5.1%	7.1%
2019	5.9%	3.0%	7.8%	5.7%	8.4%	7.8%	(0.5%)	5.9%
2018	6.3%	2.7%	6.1%	5.8%	4.3%	2.3%	8.0%	5.4%
2017	7.4%	8.0%	10.5%	7.7%	4.3%	3.5%	6.4%	6.5%
2016	7.4%	3.0%	10.4%	7.0%	1.9%	1.7%	(1.9%)	4.6%
2015	5.1%	6.2%	7.5%	5.4%	3.3%	11.4%	7.0%	5.6%
2014	2.2%	3.8%	3.6%	2.6%	1.1%	6.2%	7.2%	2.9%
2013	4.6%	8.6%	7.6%	5.4%	8.0%	6.4%	15.0%	6.8%
2012	0.8%	(3.5%)	(1.3%)	(0.0%)	29.5%	6.9%	2.1%	6.1%
2011	(1.4%)	(14.1%)	(8.0%)	(3.9%)	(5.6%)	(3.3%)	(11.5%)	(4.9%)
2010*	(13.2%)	(11.2%)	(19.4%)	(13.5%)	(21.3%)	(13.5%)	(16.4%)	(15.3%)
2009	3.7%	7.9%	5.4%	4.5%	7.8%	7.3%	0.1%	4.9%
2008	5.9%	8.4%	12.0%	6.8%	8.5%	13.0%	20.6%	8.8%
2007*	30.8%	6.5%	4.6%	24.0%	9.8%	17.0%	7.7%	18.9%
2006	2.3%	2.5%	2.6%	2.4%	12.3%	6.6%	3.8%	4.7%
2005	2.3%	2.5%	5.3%	2.6%	8.4%	1.5%	5.2%	3.9%

FY 2026 General Fund Budget Update

<u>REVENUES</u>	<u>Current Law &</u>		
	<u>2025 Law</u>	<u>Agency Request</u>	<u>Gov. Recommend</u>
1. Estimated Beginning Balance / Unobligated Cash Balance	419,681,100	313,670,400	313,670,400
2. Cash Reserved for Reappropriation/Carry forward		43,567,900	43,567,900
3. After Year-Yed Reversions (DHW, DEQ)		4,794,100	4,794,100
4. Available Cash Balance	\$ 419,681,100	\$ 362,032,400	\$ 362,032,400
5. Projected Revenue / Revised Revenue Jan. Forecast	5,929,118,200	5,512,406,100	5,512,406,100
6. TOTAL REVENUES AND ESTIMATED BEGINNING BALANCE	\$ 6,348,799,300	\$ 5,874,438,500	\$ 5,874,438,500
7. FY 2026 Transfers in (out)	(285,000,000)	(285,000,000)	(285,000,000)
8. Deficiency Warrants (Pests, Hazardous Materials)		(1,316,400)	(1,316,400)
9. Cash Transfers In		2,250,000	106,745,000
10. Total Transfers in (out)	(\$ 285,000,000)	(\$ 284,066,400)	(\$ 179,571,400)
11. NET REVENUES (line 6+10)	\$ 6,063,799,300	\$ 5,590,372,100	\$ 5,694,867,100
<u>APPROPRIATIONS</u>			
12. FY 2026 Program Maintenance	5,404,879,200	5,404,879,200	5,404,879,200
13. FY 2026 Enhancements	219,061,300	219,061,300	219,061,300
14. FY 2026 Original Appropriations	\$ 5,623,940,500	\$ 5,623,940,500	\$ 5,623,940,500
15. Authorized Reappropriation/Carry forward		43,567,900	43,567,900
16. Supplementals		52,140,700	42,135,100
17. Temporary Reduction in Spending - E.O. 2025-02		(52,020,700)	(46,951,700)
18. FY 2026 Estimated Expenditures		\$ 5,667,628,400	\$ 5,662,691,800
19. FY 2026 ESTIMATED ENDING BALANCE (line 11-18)	\$ 439,858,800	\$ (77,256,300)	\$ 32,175,300

One Big Beautiful Bill Act (HR1)

- Tax Conformity
 - Standard Deduction
 - Bonus Deduction for Seniors
 - Tipped Wages
 - Overtime Pay
 - Increased Cap for SALT
 - Auto Loan Deductible Interest
 - Research & Experimentation Cost Recovery
 - Qualified Production Property
 - Small Business Expensing

2026 Budget Adjustments – Gov’s Rec

	General	Dedicated	Federal	Total
2026 Orig. Approp.	\$5,623,940,500	\$2,943,561,900	\$5,534,074,800	\$14,101,577,200
Reappropriation	12,054,900	699,060,000	609,927,400	1,321,042,300
Supplemental	94,099,200	383,286,900	(397,393,900)	79,992,200
Rescissions	(51,964,100)	0	0	(51,964,100)
Def. Warrants	1,316,400	0	0	1,316,400
Exec. Carryforward	31,513,000	94,297,900	56,593,700	186,496,600
Gov. Holdback	(46,951,700)	(85,700)	(8,807,200)	(55,844,600)
Total	\$5,664,008,200	\$4,120,121,000	\$5,794,394,800	\$15,578,542,000
<i>Difference from Orig</i>	<i>40,067,700</i>	<i>1,176,559,100</i>	<i>260,320,000</i>	<i>1,476,946,800</i>
<i>%Change</i>	<i>0.7%</i>	<i>40.0%</i>	<i>4.7%</i>	<i>10.5%</i>

2026 Supplemental Governor's Rec Detail

	General	Dedicated	Federal	Total
Public School Suport	(22,366,500)	0	7,800,000	(14,566,500)
State Dept. of Education	0	28,200	0	28,200
OSBE - Empowering Parents	(29,597,600)	0	0	(29,597,600)
Health & Welfare	0	6,054,000	(2,316,400)	3,737,600
Medicaid	75,376,400	373,374,500	(402,933,700)	45,817,200
Dept. of Correction	18,522,800	424,300	0	18,947,100
Dept. of Agriculture - Invasive Species	0	3,393,000	0	3,393,000
Soil & Water Conservation Comm. CREP	0	12,900	0	12,900
Office of Info Tech	200,000	0	56,200	256,200
Totals	\$42,135,100	\$383,286,900	(\$397,393,900)	\$18,028,100

FY 2027 General Fund Summary

<u>REVENUES</u>	<u>Current Law & Request</u>		<u>Governor's Rec</u>	
1. Estimated Beginning Balance	\$ (77,256,300)		\$ 32,175,300	
2. Gov Adjusted Revenue Projection - 0.8% increase	5,679,246,700		5,524,246,700	
3. Total Revenues and Estimated Beginning Cash	5,601,990,400		5,556,422,000	
4. Total Transfers In (Out)	(276,058,200)		101,037,600	
5. NET REVENUES	5,325,932,200		5,657,459,600	
6. FY 2027 Program Maintenance	5,733,899,200	2.0%	5,611,203,000	-0.2%
7. Total Budget Enhancements	120,147,900	2.1%	20,715,100	0.4%
8. FY 2027 Original Appropriations	5,854,047,100	4.1%	5,631,918,100	0.1%
9. <i>FY 2027 ESTIMATED ENDING BALANCE</i>	<i>\$ (528,114,900)</i>		<i>\$ 25,541,500</i>	

*Percentage increases are from 2026 original appropriation

FY 2027 General Fund Revenues & Balances

<u>REVENUES</u>	<u>Current Law & Request</u>	<u>Governor's Rec</u>
1. Estimated Beginning Balance	\$ (77,256,300)	\$ 32,175,300
2. DFM Revenue Projection - 3.0% increase from FY26	5,679,246,700	5,679,246,700
3. Proposed Legislation - Tax Conformity	0	(155,000,000)
4. Adjusted Revenue Projection - 0.8% increase	5,679,246,700	5,524,246,700
5. Total Revenues and Estimated Beginning Cash	5,601,990,400	5,556,422,000

FY 2027 General Fund Transfers & Adjustments

	Current Law & Request	Governor's Recommendation
6. Transfer to ITD - Strategic Initiatives Fund	(275,000,000)	0
7. Transfer to OITS - Unbilled Services	(1,058,200)	(458,700)
8. Budget Stabilization Interest Earnings to GF	0	35,207,600
9. Public Education Stabilization Fund Interest to GF	0	10,201,300
10. Millennium Fund Interest Earnings to GF	0	2,781,700
11. Water Pollution Control Fund Interest to GF	0	5,308,000
12. Permanent Building Fund Interest to GF	0	15,232,400
13. Strategic Initiatives Interest to GF	0	15,714,800
14. Strategic Initiatives Local Interest to GF	0	12,900,300
15. Strategic Initiatives Local Grant Closeout to GF	0	4,150,200
16. Total Transfers In (Out)	(276,058,200)	101,037,600
17. NET REVENUES	5,325,932,200	5,657,459,600

FY 2027 Maintenance

	Current Law & Request		Governor's Recommendation	
18. FY 2027 Base Budget	5,569,404,800		5,539,807,200	
Maintenance Costs:				
19. Benefit Changes	128,089,300	2.3%	62,491,400	1.1%
20. Contract Inflation	2,113,900	0.0%	2,115,000	0.0%
21. Statewide Cost Allocation	6,505,400	0.1%	6,505,400	0.1%
22. Change in Employee Compensation	10,004,800	0.2%	284,000	0.0%
23. Public Schools CEC	17,781,000	0.3%	0	0.0%
24. Total Program Maintenance Adjustments	<u>164,494,400</u>	2.9%	<u>71,395,800</u>	1.3%

Source: Legislative Budget Book, page 7

*Percentage increases are from 2026 original appropriation

FY 2027 Maintenance Governor's Rec.

	General	Dedicated	Federal	Total
2027 Base	\$5,539,807,200	\$2,640,171,700	\$5,211,105,300	\$13,391,084,200
Health Insurance	62,491,400	14,801,100	6,008,400	83,300,900
Contract Inflation	2,115,000	706,000	1,787,900	4,608,900
SWCAP	6,505,400	3,173,300	1,186,600	10,865,300
Military Compensation	284,000	401,100	1,298,400	1,983,500
2027 Program Maintenance	\$5,611,203,000	\$2,659,253,200	\$5,221,386,600	\$13,491,842,800
<i>Difference from 2026 Orig.</i>	<i>(12,737,500)</i>	<i>(284,308,700)</i>	<i>(312,688,200)</i>	<i>(609,734,400)</i>
<i>% Chg. from 2026 orig.</i>	<i>-0.2%</i>	<i>-9.7%</i>	<i>-5.7%</i>	<i>-4.3%</i>

FY 2027 Budget Enhancements

	Current Law & Request		Governor's Recommendation	
26. FY 2027 Program Maintenance Budget Enhancements	5,733,899,200	2.0%	5,611,203,000	-0.2%
27. Education	1,201,400		1,201,400	
28. Health and Human Services	8,290,800		8,121,800	
29. Public Safety	747,200		404,900	
30. Natural Resources	16,600		0	
31. Economic Development	0		0	
32. General Government	2,339,400		2,344,500	
33. Replacement Items	2,984,700		2,984,700	
34. Endowment Fund Adjustments	(4,141,200)		(4,354,100)	
35. Population Forecast Adjustments	155,448,000		127,698,300	
36. OITS Modernization	194,800		194,800	
37. Ongoing Rescission	(46,933,800)		(39,294,900)	
38. Governor's Initiatives	0		(78,586,300)	
39. Total Budget Enhancements	<u>120,147,900</u>		<u>20,715,100</u>	
40. FY 2027 Original Appropriations	5,854,047,100	4.1%	5,631,918,100	0.1%

FY 2027 Gov. Rec. - Enhancement

	General	Dedicated	Federal	Total
2027 Program Maintenance	\$5,611,203,000	\$2,659,253,200	\$5,221,386,600	\$13,491,842,800
Replacement Items	2,984,700	153,908,500	5,121,300	162,014,500
Endowment Fund Adj.	(4,354,100)	6,284,200	0	1,930,100
Inflation	0	390,000	0	390,000
Tech. Modern/Hardware	194,800	14,878,700	734,300	15,807,800
Population Forecast Adj.	127,698,300	91,606,100	197,431,800	416,736,200
Budget Enhancements	12,072,600	496,954,500	(205,409,700)	303,617,400
Ongoing Recission	(39,294,900)	(653,700)	(523,400)	(40,472,000)
Governor's Initiatives	(78,586,300)	992,600	188,610,700	111,017,000
2027 Total Recommendation	\$5,631,918,100	\$3,423,614,100	\$5,407,351,600	\$14,462,883,800
<i>Difference from 2026 Orig.</i>	<i>7,977,600</i>	<i>480,052,200</i>	<i>(126,723,200)</i>	<i>361,306,600</i>
<i>% Increase from 2026 orig.</i>	<i>0.1%</i>	<i>16.3%</i>	<i>-2.3%</i>	<i>2.6%</i>

Gov. Rec. Population Forecast Adjustments

	General	Dedicated	Federal	Total
Public School Support	(2,610,400)	0	0	(2,610,400)
Health & Welfare	600,000	0	0	600,000
Medicaid	98,084,200	91,606,100	197,431,800	387,122,100
Dept. of Correction	31,624,500	0	0	31,624,500
Totals	\$127,698,300	\$91,606,100	\$197,431,800	\$416,736,200
<i>% change from Orig. Approp</i>	2.3%	3.1%	3.6%	3.0%

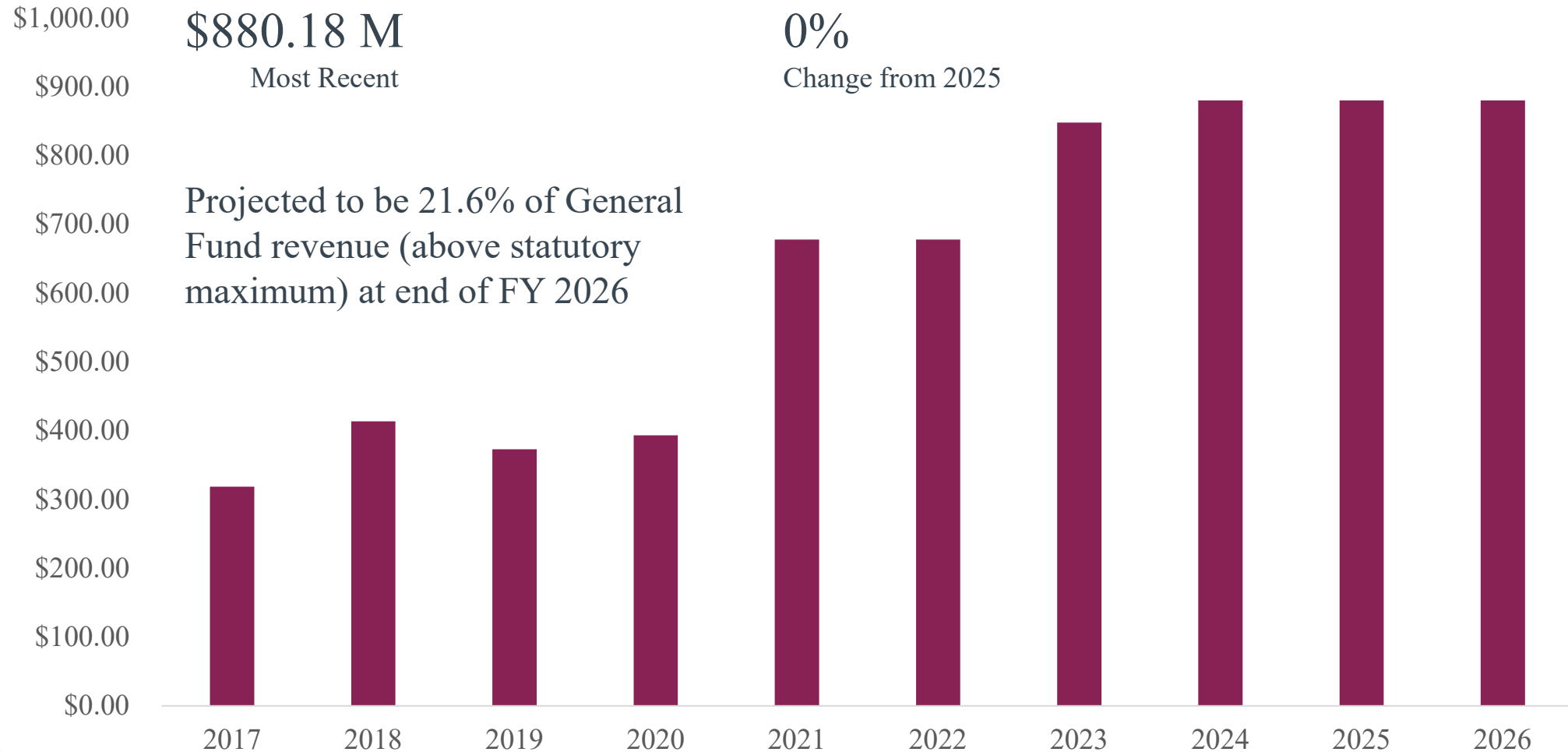
2027 Gov Rec. Budget Enhancements

	General	Dedicated	Federal	Total
Education	1,201,400	8,559,100	12,289,600	22,050,100
Health & Human Services	8,121,800	397,333,800	(232,284,800)	173,170,800
Public Safety	404,900	12,273,000	1,051,500	13,729,400
Natural Resources	0	22,397,600	10,130,600	32,528,200
Economic Development	0	29,341,700	(51,000)	29,290,700
General Government	2,344,500	27,049,300	3,454,400	32,848,200
Totals	\$12,072,600	\$496,954,500	(\$205,409,700)	\$303,617,400

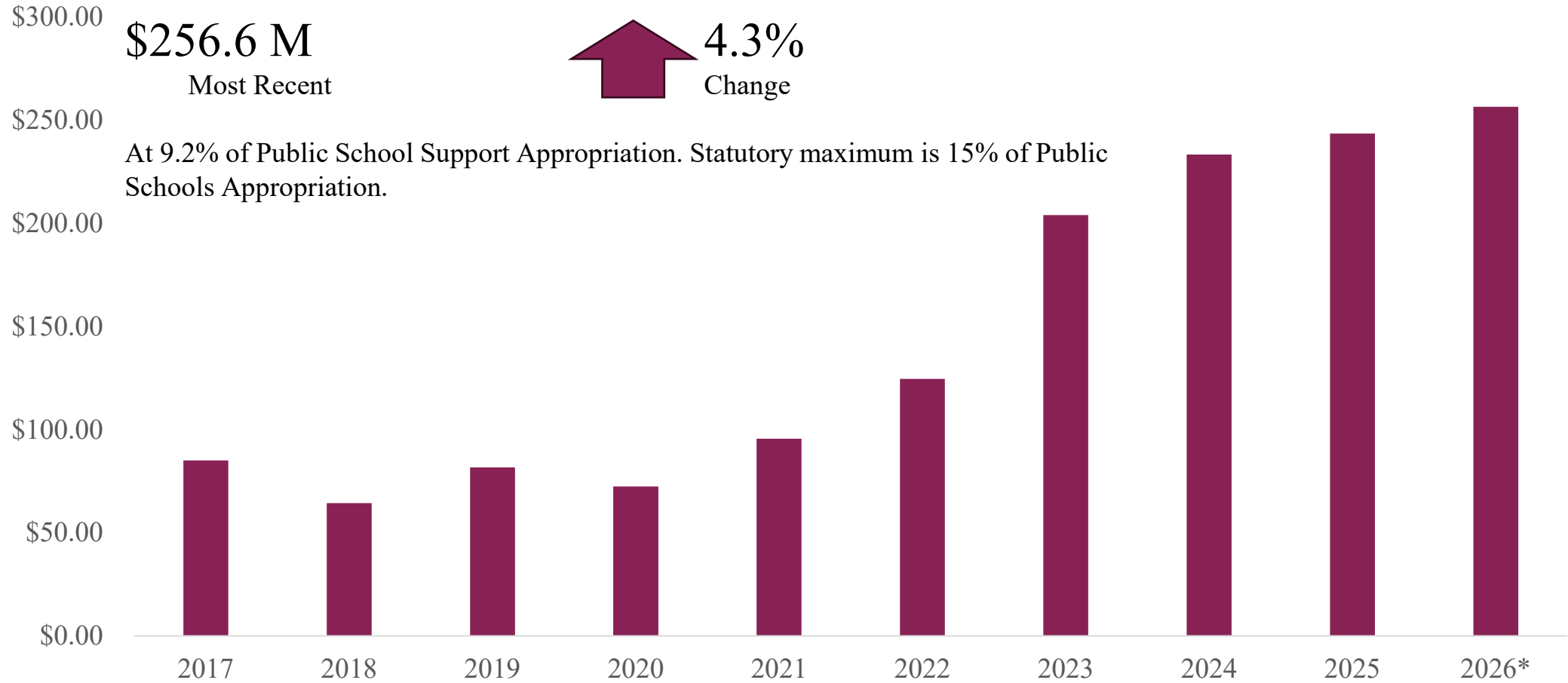
2027 Governor's Initiatives

	General	Dedicated	Federal	Total
Public School Support	(33,072,300)	0	0	(33,072,300)
Health & Welfare	(496,300)	992,600	295,405,200	295,901,500
Medicaid	(45,017,700)	0	(106,794,500)	(151,812,200)
Totals	(\$78,586,300)	\$992,600	\$188,610,700	\$111,017,000

Budget Stabilization Fund (in millions)



Public Education Stabilization Fund(in millions)



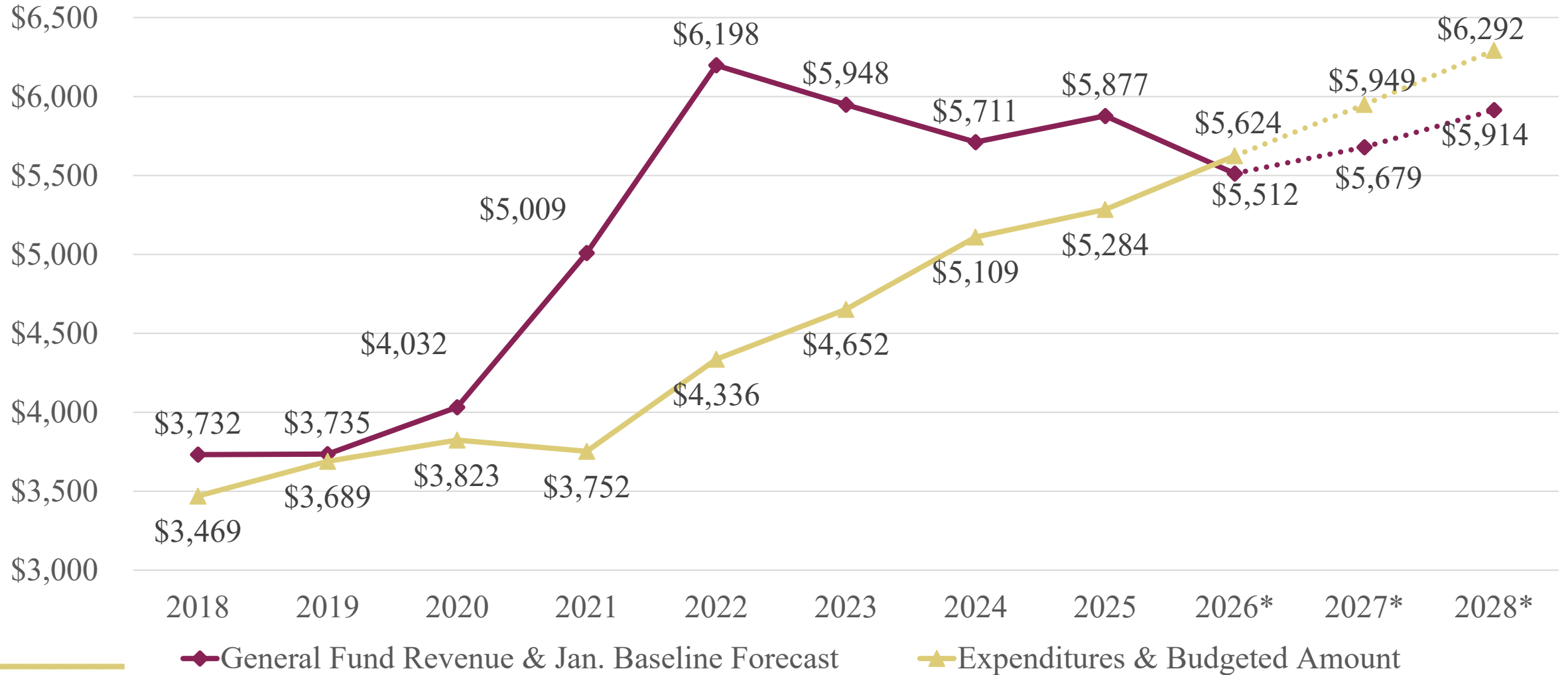
*forecast amounts

Cash Position Then and Now (in millions)

	2009	2026
Beginning Cash	\$248.8	\$357.2
Budget Stabilization Fund / ERRF	\$206.7	\$880.2
Public Education Stabilization Fund	\$112.1	\$256.6
Emergency Funds	\$3.3	\$21.7
Other	\$70.21	\$168.2
Total	\$641.1	\$1,683.9
As Percentage of Original Appropriation	21.7%	29.9%

*Other includes Medicaid Stabilization Fund (\$8.4m); Technology Infrastructure Stabilization Fund (\$1.2m); Higher Education Stabilization Fund (\$29.7m); 27th Payroll Fund (\$38.8m); and Millennium Traditional Fund (\$70.5m)

General Fund Structural Balance (in millions)



* Governor's revenue projections and FY 2026 Current budget amount. FY 2027-28 uses average annual growth rate of 5.7% from 2013 - 2025

Please feel free to contact me with any questions at (208)334-4739 or kbybee@Lso.Idaho.gov