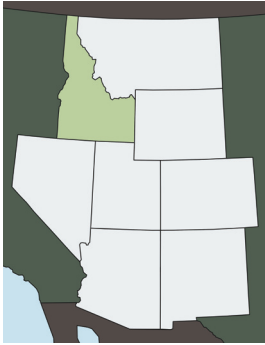


IDAHO Budget Report Card



IDAHO WAS ONE OF ONLY four states to earn an A average in three of the five budgetary categories evaluated for fiscal 2016 through 2018 (no state received more than three top marks). California, Tennessee, and Utah also achieved that honor.

Long known for conservative budgeting, Idaho was given As in budget maneuvers, legacy costs, and reserve funds. It missed an A in transparency—scoring a B—because it does not disclose the cost of deferred infrastructure replacement.

The state’s biggest weakness was in budget forecasting, where it got a D, the second-lowest grade possible. Idaho does not use consensus revenue forecasts, the practice in twenty-seven other states as of 2018. Instead, the Division of Financial Management—part of the governor’s office—submits budget data collected from state agencies to the chief executive and legislature. They each examine the data, and their separate analyses are used to form the governor’s budget recommendations and the *Legislative Budget Book*.

Idaho also failed to provide long-term forecasts for expenditures and revenues; the legislative and executive branches forecast only for the current and following year. What rescued Idaho from a D-minus in the budget forecasting category was its publication of reasonable, detailed rationales to support revenue growth projections at the time of its initial budget in its yearly *General Fund Revenue Book*. Idaho also publishes a monthly report showing revenue estimates versus actual collections and summarizes why the latter may have exceeded or trailed estimates.


MOUNTAIN STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Arizona	B	C	D	A	B
Colorado	C	C	D	B	B
Idaho	D	A	A	A	B
Montana	D	B	C	C	B
Nevada	C	B	C	B	B
New Mexico	B	C	D	B	B
Utah	C	A	A	A	C
Wyoming	B	B	D-	C	C
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at VolckerAlliance.org.


IDAHO Budget Report Card

BUDGET FORECASTING					
	2016	2017	2018		
	CATEGORY GRADE	D	D	D	
	Consensus Revenue Forecasts	X	X	X	
	Multiyear Expenditure Forecasts	X	X	X	
	Multiyear Revenue Forecasts	X	X	X	
	Revenue Growth Projections	✓	✓	✓	
3-YEAR AVERAGE		D	3-YEAR TREND		—

BUDGET MANEUVERS					
	2016	2017	2018		
	CATEGORY GRADE	A	A	A	
	Deferring Recurring Expenditures	✓	✓	✓	
	Revenue and Cost Shifting	✓	✓	✓	
	Funding Recurring Expenditures with Debt	✓	✓	✓	
	Using Asset Sales and Up-Front Revenues	✓	✓	✓	
3-YEAR AVERAGE		A	3-YEAR TREND		—

LEGACY COSTS					
	2016	2017	2018		
	CATEGORY GRADE	A	A	A	
	Public Employee OPEB Funding	✓	✓	✓	
	Public Employee Pension Funding	✓	✓	✓	
	Public Employee Pension Funded Ratio*	88%	91%	91%	
3-YEAR AVERAGE		A	3-YEAR TREND		↗

RESERVE FUNDS					
	2016	2017	2018		
	CATEGORY GRADE	A	A	A	
	Positive Reserve or General Fund Balance	✓	✓	✓	
	Reserve Funds Disbursement Policy	✓	✓	✓	
	Reserve Funds Replenishment Policy	✓	✓	✓	
	Reserves Tied to Revenue Volatility	✓	✓	✓	
3-YEAR AVERAGE		A	3-YEAR TREND		—

TRANSPARENCY					
	2016	2017	2018		
	CATEGORY GRADE	B	B	B	
	Consolidated Budget Website	✓	✓	✓	
	Provides Debt Tables	✓	✓	✓	
	Discloses Deferred Infrastructure Replacement Costs	X	X	X	
	Discloses Tax Expenditures	✓	✓	✓	
3-YEAR AVERAGE		B	3-YEAR TREND		—

KEY

✓	Followed best practice
X	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* SOURCE Bloomberg; 2017 data also used for 2018.