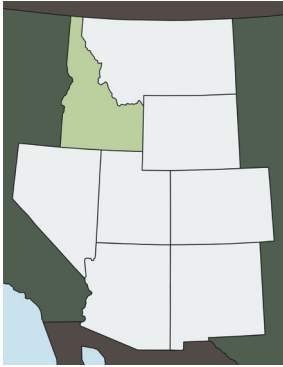


IDAHO Budget Report Card



IDAHO WON TOP A AVERAGES in budget maneuvers, reserve funds, and legacy costs for fiscal 2017 through 2019, enhancing its reputation for conservative budgeting practices. The state fell far short in one area, however, with a D average in budget forecasting. Only four states fared worse in the category.

Idaho’s low forecasting grade began with its failure to use consensus revenue estimates. Instead of estimates assembled jointly by the executive and legislative branches, revenue projections are based on the *Idaho Economic Forecast*, published quarterly by the Division of Financial Management, a unit of the governor’s office. The state also lacks multiyear forecasts of revenues or expenditures.

Idaho’s strong reserves afford it some protection against the fiscal risks of a short-term estimate. Its reserve policies parallel best practices cited in the recent Volcker Alliance working paper, *Rainy Day Fund Strategies: A Call to Action*. In addition to its Budget Stabilization Fund, which is supported by laws detailing appropriate times for deposits and withdrawals, Idaho carries large year-end general fund balances. As a result, its \$530 million in rainy day fund assets – equivalent to about 14 percent of general fund revenues – were augmented by an estimated general fund balance of \$121.9 million at the end of fiscal 2019. The state also ties rainy day fund deposits to historical revenue volatility and ensures that revenue growth in excess of 4 percent annually goes into the rainy day fund.

MOUNTAIN STATES SIDE BY SIDE: Three-Year Average Grades, 2017–19


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Arizona	B	C	D	A	B
Colorado	C	B	D	B	B
Idaho	D	A	A	A	B
Montana	D	B	C	B	B
Nevada	C	B	C	B	B
New Mexico	B	C	C	B	B
Utah	B	A	A	A	C
Wyoming	B	B	D-	C	C
US AVERAGE	B	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: The Balancing Act* at VolckerAlliance.org.


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BUDGET FORECASTING				
	2017	2018	2019	
	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				
	2017	2018	2019	
	CATEGORY GRADE	A	A	A
	Deferring Recurring Expenditures	✓	✓	✓
	Revenue and Cost Shifting	✓	✓	✓
	Funding Recurring Expenditures with Debt	✓	✓	✓
	Using Asset Sales and Upfront Revenues	✓	✓	✓
3-YEAR AVERAGE		A	3-YEAR TREND —	

LEGACY COSTS				
	2017	2018	2019	
	CATEGORY GRADE	A	A	A
	Public Employee OPEB Funding	✓	✓	✓
	Public Employee Pension Funding	✓	✓	✓
	Public Employee Pension Funded Ratio*	91%	92%	92%
3-YEAR AVERAGE		A	3-YEAR TREND —	

RESERVE FUNDS				
	2017	2018	2019	
	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				
	2017	2018	2019	
	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; 2018 data also used for 2019.

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