



Fred Birnbaum
Senior Policy Advisor
Idaho Freedom Foundation
802 W Bannock St #405, Boise, ID 83702

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TO: Members of the DOGE Task Force

There is an old saying, “What gets measured, gets managed.” And clearly, with regard to Idaho’s budgets and spending, a lot gets measured. However, as revealed during the post-session Joint Finance Appropriations Committee (JFAC) meeting in May, there are roughly \$2-3 billion in “off-budget” continuously appropriated funds that don’t get reviewed during JFAC’s session calendar, which means appropriations that are not voted on by the legislature each session as part of the appropriations process. JFAC has recently begun to examine these continuously appropriated funds.

We urge the DOGE Task Force to formally recommend that a portion of the continuously appropriated funds be returned to annual budgeting. For those funds that remain continuously appropriated, projections should be provided so that legislators can see the total change in spending. Because what is not measured can’t be managed, and it is the fiduciary duty of the Legislature to manage all state appropriations.

Why?

On April 4, 2025, the Legislative Services Office published the “2025 Key Actions and Budget Summary,” which included a post-session “budget going home packet.” That packet included a page (attachment 1) with the following bullet point:

Removed the direct appropriation for the School District Facilities Fund and made this distribution continuously appropriated or “off budget” with passage of HB 304 and HB 481. The FY 2026 estimated distribution is \$246,450,000, or \$105,520,700 more than was distributed in the current year.

This impacts how the overall appropriations growth is shown from Fiscal Year 2025 (FY25) to FY26. Overall, it indicates that the sum of General, Dedicated, and Federal Funds is growing by less than 2%. However, we see that Dedicated Funds are shown as

decreasing (14.6%; see attachment 2). Did they actually decrease by that much? Of course not. It is because funds like the one above were moved “off budget.” This practice removes transparency and certainly presents an inaccurate picture of spending growth.

Are the continuously appropriated funds visible? Yes, they are, but only two fiscal years in arrears. The State Controller’s office houses this data; however, the most recent data available is from FY24. So in any given session, JFAC doesn’t know the current run rate of continuously appropriated funds.

Our final attachment (3) is a compilation of the four years of continuously appropriated funds that were shared during the JFAC post-session May review. Please note that LSO staff had to work quickly to assemble this data and were not entirely confident in its accuracy. However, it is just a starting point for a discussion of why continuously appropriated funds need to become visible each session and not simply reviewed for what happened two years prior. What is important to note is the magnitude and spending levels of continuous appropriations. Over \$2 billion in continuous appropriations (excluding those related to sales tax distributions) occurred in FY24 in addition to the reported regular appropriations of nearly \$14 billion.

Separately, IFF will offer specific suggestions for budget savings in a future submission to this task force, totaling over \$1 billion.

Attachment 1

Public Schools Support Program – Budget Highlights

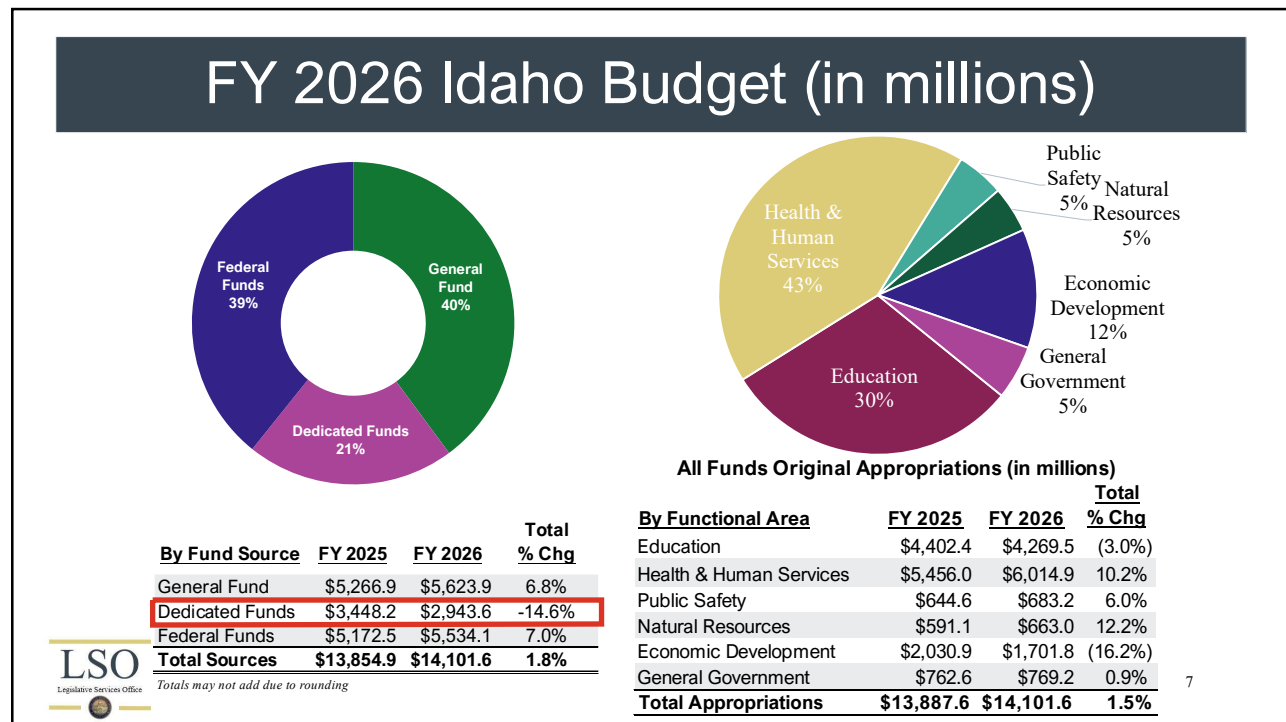
FY 2025

1. An additional \$86,496,300 was distributed to school districts through the School District Modernization Fund. This amount was provided in addition to the \$1,000,000,000 that was estimated in the 2024 legislative session.
2. An additional \$9,500,000 of federal funds were appropriated to ensure eligible services are provided and reimbursed to schools.

FY 2026

1. Provided a 5% CEC for administrative and classified staff with \$20,354,000 of new appropriation.
2. Provided a 5% CEC for teachers and pupil service staff to align Career Ladder funding with the same percentage increase as provided to administrative and classified staff, pursuant to Section 33-1004B Idaho Code.
3. Increased health insurance distributions by 8.7% for a new per support unit amount of \$21,902.
4. Provided \$9,500,000 of ongoing federal funds to ensure eligible services are provided and reimbursed to schools next school year.
5. Provided the Idaho Digital Learning Academy (IDLA) an additional \$4,377,600 for an estimated 8,320 additional course-enrollments and increased the course enrollment distribution to \$445 from \$430 to account for a 5% CEC for IDLA staff.
6. Removed the direct appropriation for the School District Facilities Fund and made this distribution continuously appropriated or “off budget” with passage of HB 304 and HB 481. The FY 2026 estimated distribution is \$246,450,000, or \$105,520,700 more than was distributed in the current year.
7. Retained \$23,472 per support unit for discretionary funds.
8. The Legislature retained the ongoing funding and necessary language to distribute the \$6,359 that was added by the Legislature in the 2023 session for instructional staff compensation.
9. With passage of SB 1069, the Legislature provided an additional \$5,000,000 in SB 1213 for professional development programs based in the science of reading.
10. An additional \$1,185,700 was provided for the Educational Services for the Deaf and the Blind that included 5% for CEC, career ladder equivalence funding, additional funding to recruit and retain hard to fill positions, and two new staff in the Outreach program to address rising caseloads in the Deaf and Hard of Hearing population.

Attachment 2



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Public School Support

- Total for all public schools, including IESDB, is **\$3,111,556,200**, of which **\$2,754,658,600 is from the General Fund**
- For FY 2026, the General Fund increased by 3.9% or \$102,749,700
- Increased the federal fund appropriation to meet current eligibility and adjusted the budgets for population forecast estimates
- Added \$5,000,000 for science of reading professional development

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Attachment 3

Compilation of Continuous Funds as presented during JFAC May 2025 meeting. IFF does NOT vouch for the accuracy of the data.

Agency and Fund Name	FY 2021	FY 2022	FY 2023	FY 2024	Notes
Administration, Department of	\$338,766,184	\$355,340,955	\$444,685,560	\$483,455,392	
Administration and Accounting Services	\$11,512,687	\$5,040,642	\$4,779,275	\$6,137,022	
Gov's Residence Fund				\$60,608	Was this added in 24 or omitted in earlier years?
Employee Group Insurance	\$313,930,959	\$333,757,037	\$421,567,429	\$457,021,245	Should be appropriated annually or projected
Industrial Special Indemnity	\$3,973,581	\$4,032,135	\$4,355,419	\$4,094,452	
Retained Risk	\$9,348,957	\$12,511,141	\$13,983,437	\$16,142,066	
Agriculture, Department of	\$763,126	\$875,826	\$1,059,049	\$453,872	
Commodity Indemnity	\$269,075	\$296,595	\$297,366	\$453,872	
Pest Control Deficiency	\$368,352	\$450,129	\$627,937		Nothing in 2024?
Seed Indemnity	\$125,698	\$129,102	\$133,746		Nothing in 2024?
Career Technical Education	\$573,646	\$584,891	\$919,169		Nothing in 2024?
Agriculture and Natural Resource Education Program Start-Up	\$1				
Motorcycle Safety Program	\$573,645	\$584,891	\$919,169		Should be appropriated annually
Control Agencies	\$38,750	\$8,731,269	\$61,233		
General	\$38,750	\$8,731,269	\$61,233		
Correctional Industries	\$9,253,323	\$17,423,049	\$21,202,737	\$11,353,060	Should be appropriated annually
Correctional Industries Betterment	\$9,253,323	\$17,423,049	\$21,202,737	\$11,353,060	
Education, State Board of				\$2,396,455	
Loan And Grant Fund				\$2,396,455	Should be appropriated annually
Environmental Quality, Department of	\$163,005	\$664,350	\$2,874,456	\$10,202,415	
Agricultural Best Management Practices	\$138,005	\$650,350	\$1,757,305	\$3,344,975	Should be appropriated annually
Confined Animal Feed Operations (CAFO)			\$1,061,084	\$3,667,450	Should be appropriated annually
DEQ Fund				\$2,500	
Drinking Water Loan Fund				\$46,055	
Hazardous Waste Emergency			\$56,068	\$14,868	
Waste Tire Grant	\$25,000	\$14,000			
Health and Welfare Fund				\$126,363	
Water Pollution C Fund				\$3,000,204	
Finance, Department of				\$33,042	
Mortgage Recovery Fund				\$33,042	
Fish and Game, Department of	\$459,703	\$308,466	\$176,004	\$416,970	
Public Shooting Range Fund	\$459,703	\$308,466	\$176,004	\$415,150	
#N/A				\$1,820	
Governor, Executive Office of the		\$10,899	\$17,299	\$8,399	
Governor's Emergency Fund				\$8,399	
Idaho Nuclear Engineering & Environmental Laboratory Settlement		\$10,899	\$17,299		

Agency and Fund Name	FY 2021	FY 2022	FY 2023	FY 2024	
Health and Welfare, Department of	\$1,184,022	\$1,141,585	\$1,119,790	\$1,014,452	
Children's Trust	\$125,343	\$120,070	\$150,278	\$94,030	
Health and Welfare Fund				\$68,527	
Misc Revenue Fund				\$851,895	What is this?
Rural Physician Incentive	\$1,058,679	\$1,021,515	\$969,513		
Idaho Code Commission				\$392,435	Should be appropriated annually
Misc Revenue Fund				\$392,435	
Idaho Public Television			\$7,356,005	\$7,652,337	Should be appropriated annually
Miscellaneous Revenue			\$7,356,005	\$7,652,337	
Information Technology Services, Office of	\$12,412,534	\$10,635,968	\$14,199,191	\$16,961,952	
Administration and Accounting Services	\$12,412,534	\$10,635,968	\$14,199,191	\$16,961,952	Should be appropriated annually
Insurance Fund, State	\$234,882,325	\$247,961,926	\$255,457,799	(\$69,605)	
Petroleum Clean Water Trust	\$3,062,435	\$2,966,437	\$2,561,564		
State Insurance	\$231,819,890	\$244,995,490	\$252,896,235	(\$69,605)	Is 2024 accurate?
Insurance, Department of	\$19,527,504	\$49,627,435	\$25,246,952		
Department of Insurance Liquidation Trust	\$734				
Individual High Risk Reinsurance Pool	\$14,821,395	\$42,239,005	\$20,266,185		Nothing in 2024?
Insurance Insolvency Administrative	\$0	\$0	\$0		
Insurance Refund	\$4,705,375	\$7,388,430	\$4,980,767		Nothing in 2024?
Investment Board, Endowment Fund	\$11,609,895	\$13,215,092	\$11,378,442		
Endowment Earnings Administrative	\$10,948,130	\$12,461,775	\$10,736,528		
Miscellaneous Revenue	\$661,765	\$753,317	\$641,915	\$7,652,337	
Labor, Department of	\$186,704,776	\$72,386,317	\$95,198,009	(\$8,328,410)	Skews totals
Employment Security Fund				(\$8,328,410)	
EUISAA - Federal CARES Act	\$341,910				
Special Benefit Payment	\$172,241,573	\$69,769,781	\$92,803,705		Not clear if \$0 in 24 or omitted
Unemployment Trust	\$14,121,293	\$2,616,536	\$2,394,304		Not clear if \$0 in 24 or omitted
Land, Board of Commissioners				\$11,135,029	
Endowment Admin: Fund				\$10,506,865	
Misc Revenue Fund				\$628,164	
Lands, Department of	\$26,031,800	\$66,043,924	\$92,437,950		
Fire Suppression Deficiency	\$26,031,800	\$66,030,259	\$35,928,011		
Land Bank		\$13,666	\$56,509,939		
Lava Hot Springs				\$3,597,509	
Public Recreation Fund				\$3,597,509	
Legislature				\$9,194,909	Should be appropriated annually, where is 21-23 data
Legislative Fund				\$9,194,909	
Libraries, Commission for	\$245,985	\$190,975	\$124,730	\$73,867	
Library Improvement	\$245,985	\$190,975	\$124,730	\$73,867	
Liquor Division, State	\$220,060,071	\$232,033,473	\$231,885,791	\$221,031,020	
Liquor Control	\$220,060,071	\$232,033,473	\$231,885,791	\$221,031,020	
Lottery, State	\$61,490,224	\$59,162,851	\$69,455,830	\$71,677,654	

Agency and Fund Name	FY 2021	FY 2022	FY 2023	FY 2024	
State Lottery	\$61,490,224	\$59,162,851	\$69,455,830	\$71,677,654	
Military Division	\$33,466,647	\$152,865,003	\$28,063,547	\$33,748,973	
Disaster Emergency	\$28,888,075	\$148,544,975	\$23,943,032	\$29,847,630	
Emergency Relief Fund - State	\$626,806	\$1,014,985	\$820,440	\$20,278	
Hazardous Substance Emergency Response	\$32,871	\$12,991	\$30,700		
Idaho Emergency Communications	\$3,918,895	\$3,292,052	\$3,239,374	\$3,881,065	
Miscellaneous Revenue			\$30,000		
Permanent Building Fund	\$47,260,107	\$64,808,667	\$58,482,776	\$180,874,803	
Governor's Residence	\$60,609	\$60,608	\$60,608		
Permanent Building	\$47,199,498	\$64,748,059	\$58,422,168	\$180,874,803	Should be included in annual number
Police, Idaho State	\$595,096	\$493,414	\$605,564	\$740,823	
Search and Rescue	\$68,663	\$106,110	\$119,046	\$144,439	
State Victim Notification	\$526,433	\$387,304	\$486,519	\$596,384	
Public Employee Retirement System	\$217,269,946	\$235,656,838	\$245,236,195	\$246,201,051	Should be included in annual number
Judges' Retirement	\$7,386,079	\$7,997,230	\$8,212,700	\$9,243,738	
PERSI - Retiree Medical Insurance	\$17,849,548	\$1,366,124			
PERSI Special	\$191,791,549	\$208,766,788	\$217,800,308	\$221,570,424	
Public Employee Retirement Fund Roll Up				\$15,386,888	
Retirement Medical Insurance Schools	\$145,623	\$12,213,998	\$13,640,672		
Retirement Medical Insurance State	\$97,146	\$5,312,698	\$5,582,515		
Public School Support	\$32,669,808	\$15,474,731	\$281,185	\$110,824,597	
Income Funds				\$616,662	
Income Funds: Pub Sch Health Insurance				\$4,006,475	
School District Facilities Fund				\$106,201,460	Added in 2024, needs to be made annually appropriated
Public Education Stabilization	\$32,669,808	\$15,474,731	\$281,185		
Racing Commission	\$1,181,306	\$1,172,195	\$1,076,371		
Pari-Mutuel Distribution	\$1,181,306	\$1,172,195	\$1,076,371		
Revenue and Taxation, Department of/Tax Commission	\$655,303,331	\$1,205,030,395	\$1,673,864,603	\$668,093,930	Needs cleanup- should not be included at all?
Custodial Fund				\$14,926,730	
Sales Tax- Indigent Defense				\$36,000,000	
Sales Tax				\$616,420,752	Remove in green
Tax Refunds Fund				\$746,447	
Idaho Tax Rebate Fund		\$409,907,883	\$507,223,603		Remove in green
Revenue Sharing	\$308,350,773	\$372,355,531	\$436,590,317		Remove in green
Tax Commission Refunds	\$346,952,558	\$422,766,981	\$730,050,683		Remove in green
Secretary of State	\$5,026,482	\$1,603,867	\$1,030,208	\$ 802,917	
Federal Grant	\$4,610,520	\$1,183,220	\$633,355	\$ 802,917	Should be included in annual number
Miscellaneous Revenue	\$415,962	\$420,647	\$396,853		
Special Programs	\$1,263,351	\$41,152	\$46,237		
Opportunity Scholarship Program	\$1,263,351	\$41,152	\$46,237		
State Controller	\$12,897,445	\$16,618,647	\$26,778,409	\$45,194,461	
Business Information Infrastructure	\$12,897,445	\$16,618,647	\$26,778,409	\$45,194,461	Should be included in annual number
State Treasurer	\$722,988	\$548,450	\$360,742	\$8,006,564	Should be included in annual number

Agency and Fund Name	FY 2021	FY 2022	FY 2023	FY 2024	
Abandoned Property Trust - Unclaimed Property	\$471,710	\$282,717	\$98,756	\$182,037	
Municipal Bond Bank Authority Admin	\$29,938	\$29,728	\$33,346	\$44,124	
Public Charter School Revolving Loan Fund				\$7,500,000	
Scholarship	\$221,340	\$236,006	\$228,640	\$280,402	
Transportation Department, Idaho	\$353,923,964	\$413,177,213	\$657,848,132	\$780,210,014	
Abandoned Vehicle	\$2,076	\$1,839	\$1,478	\$1,971	
Consumer Asset Recovery	\$40,000	\$98,622			
ITD - Garvee Debt Service	\$61,602,693	\$83,206,465	\$111,000,241		
ITD - Garvee Projects	\$45,484,633	\$109,651,985	\$79,759,099	\$43,941,321	Too big not to see this annually
Local Authority Technical Analysis Fund	\$23,700	\$19,000	\$40,000		
Local Bridge Inspection	\$152,387	\$153,008	\$112,451		
Local Highway Distribution	\$241,786,753	\$208,536,600	\$322,894,219	\$371,935,359	Too big not to see this annually
Organ Donation Contribution	\$42,838	\$36,633	\$50,510	\$123,247	
Plate Manufacturing	\$3,763,352	\$4,184,740	\$5,330,537	\$6,052,073	
Railroad Grade Crossing Protection	\$1,025,533	\$53,094	\$28,739		
Strategic Initiatives Program Fund Fund				\$112,800,000	
TECM Capital Project Fund		\$5,640,063	\$118,646,953	\$245,356,042	Too big not to see this annually, even if continuous
Transport Expand Congest Mitigate (TECM) Debt Service Fund		\$1,595,165	\$19,983,904		
Veterans Services, Division of	\$75,898	\$363,158	\$210,585	\$197,439	
Veterans Cemetery Maintenance	\$42,537	\$226,687	\$106,962	\$92,047	
Veterans Support	\$33,362	\$136,471	\$103,623	\$105,392	
Water Resources, Department of	\$13,068,883	\$10,994,859	\$13,941,063	\$25,523,861	
Revolving Loans	\$5,435,883	\$4,474,457	\$9,747,722	\$14,161,663	Need to see annually
Secondary Aquifer Planning, Management, and Implementation	\$7,581,048	\$6,490,831	\$4,087,778	\$11,258,255	Need to see annually
State Regulatory Fund				\$103,942	
Water Rights Enforcement	\$51,951	\$29,570	\$105,564		
Wolf Depredation Control Board	\$561,571	\$391,417	\$160,297	\$125,849	
General	\$352,362				
Wolf Control	\$209,210	\$391,417	\$160,297	\$125,849	
Grand Total	\$2,499,453,695	\$3,255,579,257	\$3,982,841,913	\$2,943,198,037	

NOTE: This is information recovered from the IBIS accounting system as operated by the Office of the State Controller, and merged with the LSO Budget and Policy Analysis Division database. There is a possibility that a continuously appropriated fund was omitted or a directly appropriated fund was included; as some funds are both appropriated and continuously appropriated.