



*Executive Department
State of Idaho*

*State Capitol
Boise*

**EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE**

EXECUTIVE ORDER NO. 2021-10

TRANSPARENCY IN BUDGETING

WHEREAS, the State of Idaho is currently leading the nation in economic recovery, with revenue collection exceeding pre-pandemic forecasts; and

WHEREAS, the state has a constitutional obligation to have a balanced budget, and it is critical that the state maintain a structurally balanced budget, in which ongoing expenditures do not exceed ongoing revenues; and

WHEREAS, historic and unsustainable levels of federal spending during COVID-19 account for a portion of the state's recent revenue collections and it is important to ensure this short-term revenue collection enhancement does not impede wise long-term budget decision-making; and

WHEREAS, a multiyear expenditure forecast can help the state plan for various future economic conditions, enabling more transparent budgeting; and

WHEREAS, estimating the cost of deferred infrastructure maintenance liability for the state's capital assets can further transparency in budgeting and ensure the state is properly investing in preventative maintenance.

NOW, THEREFORE, I, Brad Little, Governor of the State of Idaho, by virtue of the authority vested in me by the constitution and laws of this state, do hereby direct that:

1. The Division of Financial Management (DFM) develop an expenditure forecast for five (5) state fiscal years. In developing the expenditure forecast, DFM shall:
 - a. Presume that current laws will remain unchanged and thus the forecast shall focus on what is necessary to maintain current operations.
 - b. Collaborate with agencies to forecast their major population and inflation-driven expenses.
 - c. Conduct a budget stress test comparing estimated future revenue to expenditures under various potential economic conditions.
 - d. Produce an initial report by January 11, 2022, outlining its preliminary findings and recommendations. DFM shall also identify the expenses necessary to improve and maintain a multiyear expenditure forecast.
2. The Department of Administration (Department) develop a report on state deferred maintenance liabilities in collaboration with the Permanent Building Fund Advisory Council and any other parties necessary to accomplish the report. In developing the report, the Department shall:
 - a. Develop a consensus definition of deferred maintenance to improve measurement and enable better comparisons across state agencies and institutions.
 - b. Inventory the current cost of deferred infrastructure maintenance liability for the state's capital assets by:
 - i. Agency or institution;
 - ii. Type of maintenance needed; and
 - iii. Timeline necessary to address the maintenance.
 - c. Recommend best practices in funding deferred maintenance needs, including:

- i. Considerations for endowing future maintenance costs with the initial funding of new capital assets;
 - ii. Limiting new capital investments for state agencies and institutions that have significant deferred maintenance liabilities until certain policies are in place; and
 - iii. Objectively evaluating the cost benefit of addressing deferred maintenance compared to asset replacement.
 - d. Establish criteria for prioritization of project funding based on the criticality of the deferred maintenance.
 - e. Produce an initial report by November 15, 2021, outlining its preliminary findings and recommendations. The Department shall also identify the expenses necessary to improve and produce an annual report on deferred maintenance liabilities.
3. State agencies and institutions shall cooperate with DFM and the Department and provide all information necessary to carry out the scope of this executive order.



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho in Boise on this 11th day of June in the year of our Lord two thousand twenty-one.

BRAD LITTLE
GOVERNOR

LAWRENCE DENNEY
SECRETARY OF STATE