

## 2024 State of the State and Budget Address

Governor Brad Little January 8, 2024

Mr. Speaker, Mr. Pro Tem, Mr. President, honored legislators, my fellow constitutional officers, Mr. Chief Justice and members of the judiciary, my family, friends, and my fellow Idahoans.

The Constitution of the great State of Idaho requires me to report to you, our Legislature, on the condition of our state.

This is my sixth opportunity to address you, and I'm struck by how much has changed in six years. But, for all the change, I can confidently stand before you for the sixth straight year and say – the state of our state is strong, stronger than ever before.

What we're doing is working.

Over the past year, I have traveled 25,000 miles across the State of Idaho, at times with your First Lady, Teresa. Teresa, thank you for your love and support.

One of the best and most important parts of my job is visiting with parents, veterans, seniors, teachers, law enforcement officers, business leaders, faith leaders, farmers, and of course our young people.

Idaho is diverse but one quality about Idaho's people is consistent – they continue to fight to keep our great state a special place for this generation and the next.

That's always been my goal, also – never settle, keep improving.

Even though we're leading the country in so many ways, we can always do better because we want Idaho to be the place where we all can have the opportunity to thrive, where our children and grandchildren choose to stay, and for the ones who have left to choose to return.

The leaders in this room have helped Idaho surge ahead of the competition.

Of note:

We are the least regulated state.

We are one of the safest states in the union.

We rank first for income growth.

We have delivered more tax relief per capita than any other state.

Idaho is one of the most fiscally responsible states, and we're recognized for our ability to withstand any economic downturn.

We're number one for economic momentum.

We're a top ten state for best economy, rivaling Florida and Texas.

In fact, Florida, Texas, and Idaho are the top three best states for small businesses.

And on issues where it's important to take a stand, Idaho has led the charge.

Idaho was the first state to ban critical race theory in our schools. We're taking a stand that we should NOT divide our children.

We introduced a new history curriculum for Idaho schools, one that teaches students to appreciate and respect our country.

And we are a leader in education freedom. Idaho is a top ten state for charter schools, and I'm bringing a bill this session to cut more red tape to support charter schools while providing taxpayers the transparency they deserve. We get more bang for our buck as the number one state for return on investment in education. We offer parents resources to support their children's education outside the classroom. And Idaho came in first for best new open enrollment law because we expanded opportunities for parents to choose the public school that is best for their child regardless of their zip code.

I will continue to support a fair, responsible, transparent, and accountable approach to expanding school choice in Idaho – one that does not draw resources away from our public schools.

We also banned diversity statements in university hiring. Our academic freedom policies protect free speech on campus while barring hateful, dangerous threats against the Jewish people.

And we're pushing back on China. I banned Tik Tok in state government to protect our information from the Chinese government's sinister motives, and Idaho land cannot be sold to foreign governments that want to do us harm.

We successfully ended an illegal encampment on public property, right across the street from the People's House, a scene where drug use, sexual assault, violence, and destruction of property took place. We are showing Left Coast states how to stand up to activists who take advantage of the homeless and vulnerable.

I was also the first Governor to sign a bill defending integrity in women's sports, and we will keep up the fight.

All of these steps have been a collective effort between the executive and legislative branches, and I am proud to be a part of it.

Folks, what we are doing in Idaho is WORKING.

You've heard me say it before and I'll say it again and again – we are on a tremendous path, a powerful trajectory, and we need to keep it going.

We must continue to lead the nation in fiscal responsibility, tax relief, and strategic investments to keep up with record growth.

Idaho's record population growth and in-migration comes with both opportunities and challenges, and I get why people are flocking here from other places.

In fact, I can think of 3.7 billion reasons why people are coming here.

We are on pace to deliver \$3.7 billion in tax relief, and we're not done yet.

With the surplus eliminator passed last session, our budget this year includes up to \$150 million in new property tax relief, on top of the hundreds of millions in property tax relief we've already deployed to date.

People are coming here because what we are doing is WORKING.

Let me show you some of what we have gotten done together. TOGETHER.

Start video.

## *Governor Little narration:*

One of the basic roles of government is to ensure a safe, connected system of roads and bridges. The continued prosperity of our businesses, including our farmers, ranchers, and loggers in rural Idaho, depends on their ability to get their products to market.

Unwilling to put the time and safety of Idahoans – and the maintenance of our state's roads and bridges – at the whims of the feds, in Idaho, we have taken control of transportation.

Instead of looking to Washington, D.C., to solve our problems, we are funding known gaps with NO NEW TAXES, and providing long-term funding for long-term needs.

This means we are tackling projects that have been on the wait list for years.

Senate President Pro Tempore Chuck Winder narration:

I'm here to attest to the historic investment the Legislature has provided for our local and state system.

Transportation projects are needs, not merely wants.

Working with Governor Little, ITD, and each of you as members of the Legislature, we have met most of these needs without raising taxes.

Let's continue our good work while protecting our loved ones and helping Idaho's economy to grow.

Idaho is working, together.

Governor Little narration:

Water is the foundation of public health, economic prosperity, outdoor recreation, a strong agricultural sector, and Idahoans' overall quality of life.

Idaho must maintain our water sovereignty and not turn out like other western states in the Colorado River Basin, such as California, where the federal government stepped in to supersede the state's control of its water.

Since I took office, I have recommended and the Legislature has approved more than \$1 billion in additional funding for water-related infrastructure projects.

We've dedicated roughly half of that to improve drinking water and wastewater treatment systems at the local level so Idahoans have safe water to drink and use.

We put the other half of the \$1 billion to modernize water infrastructure statewide – much of which is a century old and in dire need of replacement or repair.

We've made a lot of progress but we still have work to do, and I appreciate all the partners who continually demonstrate that IDAHO, not the feds, can best determine the fate of our water.

There is perhaps no greater responsibility of the State of Idaho than providing a strong system of public schools for Idaho families.

Why?

Because it's one of the duties most plainly written in the Idaho Constitution.

As elected leaders, it is not just our constitutional obligation but our moral obligation as well to prioritize and strengthen public schools.

In 2019, I assembled a task force to provide recommendations on what the State of Idaho can do to better to meet the needs of our public schools.

In just five years, we have delivered.

We increased funding for literacy 500 percent because there is no better investment in a child than establishing early on the fundamentals of reading.

We also provided a record level of flexible funds so local schools can meet local needs.

And we made the teaching profession more competitive by increasing starting teacher pay. We brought Idaho up from the bottom 10 nationally five years ago to now the top 10 for starting teacher pay.

We increased pay for teachers at all levels of experience and boosted health insurance benefits so teachers and staff can keep more of their earnings in their pockets.

As state leaders, we cannot ignore this fact: the people of Idaho strongly support public schools.

We must continue to prioritize and improve public schools not just because the constitution requires it but because the people we serve demand it.

Beyond K through 12 education, we are also taking unprecedented steps to prepare our young people for a lifetime of prosperity.

The State of Idaho has always offered support for the careers that require a four-year university degree, but we've historically fallen short in providing equal support to other skilled workers, jobs like trucking, linemen, firefighters, welders, plumbers, and a host of other professions that make the world go 'round. These are good paying jobs that require specialized training.

Our new LAUNCH grants cover 80 percent of the cost, up to \$8,000, to enroll in an education or training program after high school that aligns with an in-demand career. There are hundreds of career paths to choose from.

We want IDAHO kids to STAY in Idaho and WORK in Idaho.

We don't want our employers to import workers from other places when we can train our own kids right here at home.

LAUNCH has been extremely popular so far, blowing away everyone's expectations. Many of these kids would never have considered going on to a training program after high school.

Let's hear from a few of them.

Eight students on camera sharing how they will use their LAUNCH grant.

Governor Little narration:

I am so darn proud of all these kids for taking the initiative to apply for LAUNCH. It is a real game changer for so many young Idahoans.

So, how is that Idaho is able to provide RECORD tax relief while making so many meaningful investments in our future?

Simple.

It's how we manage our budget.

We often talk about "kitchen table economics."

But what does that mean?

We live within our means, just like any Idaho family must.

We maintain a structurally balanced budget, meaning there aren't costs in our budget that we cannot sustain, and we pass budgets on time, not at the 11<sup>th</sup> hour like Congress, creating certainty, not instability.

We have ample money in reserves so we can weather any economic uncertainty.

We make investments where they count.

And we give back whatever we can to the taxpayers to keep families and businesses thriving.

It's that easy.

So easy, in fact, that it makes you wonder why Washington, D.C., can't figure it out!

Our hardworking Idaho Congressional Delegation persistently stands up for reining in federal spending and using Idaho as the example for the feds to follow.

*U.S. Representative Russ Fulcher narration:* 

When I came to Washington, I quickly learned that Congress had a bad habit of "legislating by crisis," where critical work gets delayed, leading to 11<sup>th</sup> hour bills packed with unrelated policies.

It's not the way to do business, and I'll continue to fight to change the practice.

That's just one of many ways that Washington, D.C., needs to be more like Idaho.

Here's another: The United States carries nearly \$34 trillion in debt and has no meaningful monetary reserves.

But thanks to you all, Idaho balances its budget annually, with responsible levels of reserves in the event of an economic downturn.

Unbridled federal spending is crippling American families with high inflation and unsustainable energy prices.

But in Idaho, leaders are looking for and delivering tax relief, while sustainably meeting the needs of a growing state.

For these and other reasons, many of my congressional colleagues envy what I have in Idaho. I

I am so proud to represent this state and appreciate your commonsense approach to budgeting and governance.

Washington, D.C., can learn from what is RIGHT in Idaho. Idaho is winning!

Governor Little narration:

Russ is right. Idaho is setting the example not just for Washington, D.C., but every other state.

And one area where we shine is tax relief.

Idaho is in the top 10 for the lowest taxes in the nation.

We have the third lowest property taxes in the country, and we just deployed another \$300 million in relief to Idaho property owners last year.

No other state in the country has given more tax relief per capita than Idaho.

House Speaker Mike Moyle narration:

The historic tax relief we have championed in each of the past few years is helping thousands of Idaho families and small businesses across our state.

But crushing inflation and skyrocketing interest rates under the Biden administration are holding Idahoans back.

And the Idaho Legislature year after year stepped up to provide meaningful tax relief.

This is not our money. It's yours. And we need to understand that and remember it.

And it's because of this and other reasons such as our historic investments in education and roads, many people continue to move to Idaho to live the kind of lives that they used to be able to live in other parts of the country.

What we are doing in Idaho is working.

And we want your help to keep it that way.

Governor Little narration:

What Idaho is doing IS WORKING, and we're just getting started.

End video.

Before we get too far, I would like to congratulate the more than 12,500 students who applied for LAUNCH.

Lt. Governor Scott Bedke and I traveled the state extensively over the past year to visit with many of these students.

The interest in LAUNCH far exceeded everyone's expectations, and we're excited for these young Idahoans.

Looking ahead, we have a plan to keep Idaho strong – it is called IDAHO WORKS.

What we're doing is working and the results speak for themselves, but we must never get complacent.

IDAHO WORKS is all about taking what we know has contributed to our state's tremendous success and not just prioritizing its continuation but ramping up our efforts.

We will work to raise the bar even higher because it's what our citizens expect and it's what they deserve from their elected leaders.

But we must do so responsibly.

We all see the trend – the economy is returning to normal.

Idaho is still seeing revenue growth but at pre-pandemic levels.

That means we can't do it all.

This session should be about priorities.

We must invest in those matters that are most pressing for Idahoans.

And keeping up with the transportation needs of a growing state are among the most pressing for our people.

Other states think their transportation infrastructure has been "solved" by one-time federal funds.

Idahoans know, however, that we must take control of our own transportation needs. We cannot put the federal government in the driver's seat.

And we will not raise taxes or fees to clear out our transportation backlog.

Building off of what we've done in recent years, let's go big!

Our IDAHO WORKS plan proposes another \$50 million ongoing to bond for an additional \$800 million in new transportation infrastructure so we can save Idahoans their precious time on the road.

We'll put the \$800 million toward the highest priority, highest value projects that have been in the queue for way too long.

Our IDAHO WORKS plan also calls for the repair or replacement of the last one-third of dilapidated bridges throughout our state.

Nine hundred bridges in Idaho have been rated poor or predate the moon landing.

We have put \$400 million into this effort in the past few years, and it's time to buckle up and finish the job!

Let's continue to facilitate commerce with added transportation investments, especially in rural Idaho, and remember, this is property tax relief, too.

Let's prioritize the transportation projects that will benefit generations of Idahoans so we can keep Idahoans safe and enjoy more of what we love.

Speaking of infrastructure, we put \$1 billion to improve water quality and quantity in recent years, and our IDAHO WORKS plan also calls for the continued expansion of water

infrastructure so we can ensure a stable water supply during both the good water years and the bad ones.

This is especially important now.

We have been blessed with "good" water years of late but we may be headed into prolonged drought again, and prudence dictates we prepare.

We had quite a scare this year when we discovered invasive quagga mussels in the Snake River. Quagga mussels clog pipes that deliver water for drinking, energy, agriculture, and recreation, debilitating our state's economy and costing taxpayers hundreds of millions of dollars annually.

The team at the State Department of Agriculture put 15 years of preparation into action and deployed a treatment plan quickly and effectively to protect our water.

Idaho got done in six weeks what took other states six months to get done.

And we must finish the fight.

Our IDAHO WORKS plan continues our state's response to this highly destructive invasive species.

Our plan also further expands access to outdoor recreation because we know Idahoans' quality of life depends greatly on their ability to explore and unwind in our vast open spaces.

We all agree the safety and protection of our children is paramount.

Protecting our youth and communities from harm is all our responsibility, especially when it comes to the scourge of fentanyl.

In the past year, Idaho began a successful public education campaign that reached people in Idaho 60 million times in a few short months.

And now, teens and young adults are more aware of fentanyl. They're more concerned about their peers using it than ever before and, importantly, they are talking about it more with their friends.

As we march on, armed with better information about fentanyl, we've taken many other steps to reduce the supply and distribution of drugs on our streets.

Much of our fentanyl battle grew out of Operation Esto Perpetua, our crime-fighting crew that has helped us stay laser-focused on strategies to combat this deadly drug.

And now, it is time for us to expand its focus.

In the coming weeks, I will issue an executive order to formally establish Operation Esto Perpetua, and I am adding another directive for the group – to assess the threat of human trafficking and our open border.

We will work even harder to address the open border and its impacts because of the failure of the Biden-Harris administration to admit it's even a problem.

Human trafficking is modern day slavery. The cartel and other bad actors are taking advantage of our open border to manipulate and abuse the most vulnerable, including children.

To help curb human trafficking, my IDAHO WORKS plan calls for sending two more teams of Idaho State Police troopers to train and act as a force multiplier at our lawless southern border, as we did with fentanyl twice before.

Only now, the troopers will learn the best tactics to respond to those who smuggle and abuse vulnerable people.

They will come back to Idaho with better knowledge to stop these perpetrators in our state and, as they did before, our troopers will debrief and train their law enforcement colleagues around the state when they return.

Our children need our protection in all aspects of their lives, including their personal lives.

We know young people today face greater levels of distress and isolation than any other generation before them.

To help keep our children well, IDAHO WORKS doubles the funding for school advisors. These are the professionals on the front lines in talking to students about their futures as well as their current personal struggles.

IDAHO WORKS also proposes a new Statewide Student Behavioral Health Initiative for additional suicide prevention.

We know prevention measures work.

Here's an example from juvenile corrections – the progress we've made in standing up youth crisis centers and safe teen assessment centers around the state has contributed to a reassuring trend. Over the last five years, even with a growing population, the number of juveniles in state custody has dropped by half.

This goes to show that when we invest in prevention and intervention efforts to support every kid's success, we improve lives.

And there's more we can do to protect our kids online.

The dominance of social media in the past decade is an obvious reason for the decline in youth mental health.

Social media is addicting. It creates a forum for cyberbullying. It replaces quality time with kids' friends and loved ones, and it makes them compare themselves to impossible, artificial standards for looks and lifestyles.

To that end, I am asking my partners in the Legislature to pass meaningful reforms this session – like the legislative bodies in Arkansas, Utah, and other states have done – to better protect our children from the harms of social media.

Of course, one subject has taken up the largest share of our attention – public education.

Together, we've improved teacher take home pay and boosted literacy.

The improvements are making a difference, but we are far from meeting our obligation to "maintain a general, uniform and thorough system of public, free common schools," as required by the Idaho Constitution.

One area in particular needs work – and that's school facilities.

We've all seen the pictures and videos of some Idaho schools that are neglected – crumbling, leaking, falling apart.

In one school I visited, raw sewage is seeping into a space under the cafeteria.

Folks, we can do better.

The can we're kicking is getting heavier and we're running out of road.

Let's make this priority number one.

My IDAHO WORKS plan proposes the largest investment EVER in school facility construction and our maintenance match – \$2 billion.

Not only will we make learning environments more productive for students, but we get a two-fer!

This \$2 billion investment in school facilities is \$2 billion in long term property tax relief.

Let me say that again – let's pass \$2 billion in long-term property tax relief!

While other states are digging themselves into record deficits and grabbing another shovel, we can invest \$2 billion to modernize and improve school facilities in every district in

every corner of the state while delivering another \$2 billion in property tax relief to Idaho citizens.

But we must do it right.

We must provide for both new facility construction and the maintenance needs for existing facilities.

We should not punish those that have stepped up and invested in their facilities locally nor should we disproportionately reward those communities that have chosen not to upkeep their school buildings.

And we can't wait years or decades.

The cost of construction is skyrocketing, and the deferred maintenance backlog grows daily.

Let's also ensure we include ALL public schools – my proposal includes record funding for our charter school facilities, too.

Let's dedicate the \$2 billion in school facilities NOW to modernize school infrastructure and address unmet critical maintenance.

In my speech before you last year, I mentioned that one of my friends told me I used the word "historic" more than any other word to describe what we've accomplished.

It's true.

When we look back at what we've done over the past six years, I can't believe it was ever possible.

We made decisions that positioned our state to propel ahead in our economic performance. We strategically and thoughtfully deployed relief funds and we balanced the needs of our growing state with returning more money back to the people of Idaho than ever before.

And we did it all while passing a balanced budget every year.

As revenue normalizes from pandemic highs, our IDAHO WORKS plan continues fiscal prudence so that we're ready for any economic conditions that come our way.

IDAHO WORKS outlines the most fiscally conservative budget since the Great Recession.

It bolsters rainy-day funds to the max.

It leaves a surplus in both budgeted years for added cushion in case the economy slows.

More importantly, we are proposing to spend LESS this year than last – about 200 million fewer dollars to be exact.

Let me repeat that – my IDAHO WORKS budget proposed spending about \$200 million LESS this year than last year.

And, as I said earlier, we are on track to deliver even MORE property tax relief this year – up to \$150 million this year PLUS the \$2 billion for school facilities over the next decade.

If Idaho can do it, Washington, D.C., SHOULD do it.

To that end, I am signing on as a member of the Governors Debt Council for a Balanced Budget Amendment to the U.S. Constitution.

The runaway freight train of federal spending has got to stop.

It's not right.

It's not what the founders envisioned for our great country.

The U.S. Constitution gives the states the power to propose a Balanced Budget Amendment, and in the coming weeks I will announce new steps we'll take to force Congress to live within the people's means.

Folks, what Idaho is doing is WORKING.

There's no need to change course.

But we must raise the bar and never rest on our laurels.

History may not remember all our names and faces but we have an opportunity while we're here to create a lasting legacy of good government.

I'd like to end by quoting one of my good friends and mentors.

Perhaps not known for his patience, he recounted his first week as a legislator in this chamber, in which he reportedly stood and said, "Mr. Speaker, let's get this show on the road."

That, of course, was Governor Phil Batt.

We lost Phil last year.

He was the epitome of a public servant.

His legacy is distinguished by his unrelenting human rights leadership, determined fiscal conservatism, and enduring love of Idaho.

So let me close with an ode to Governor Batt and say emphatically, "Let's get this show on the road."

Let's get to work for the people of Idaho.

Let's focus on the big things.

And let us all aspire to leave a legacy like Governor Batt - a legacy that will outlive us all.

God bless Idaho.