

# **K-12 Budget Stability and Strategic Alignment**


## **Economic and General Fund Review FY 2019, FY 2020, and FY 2021**

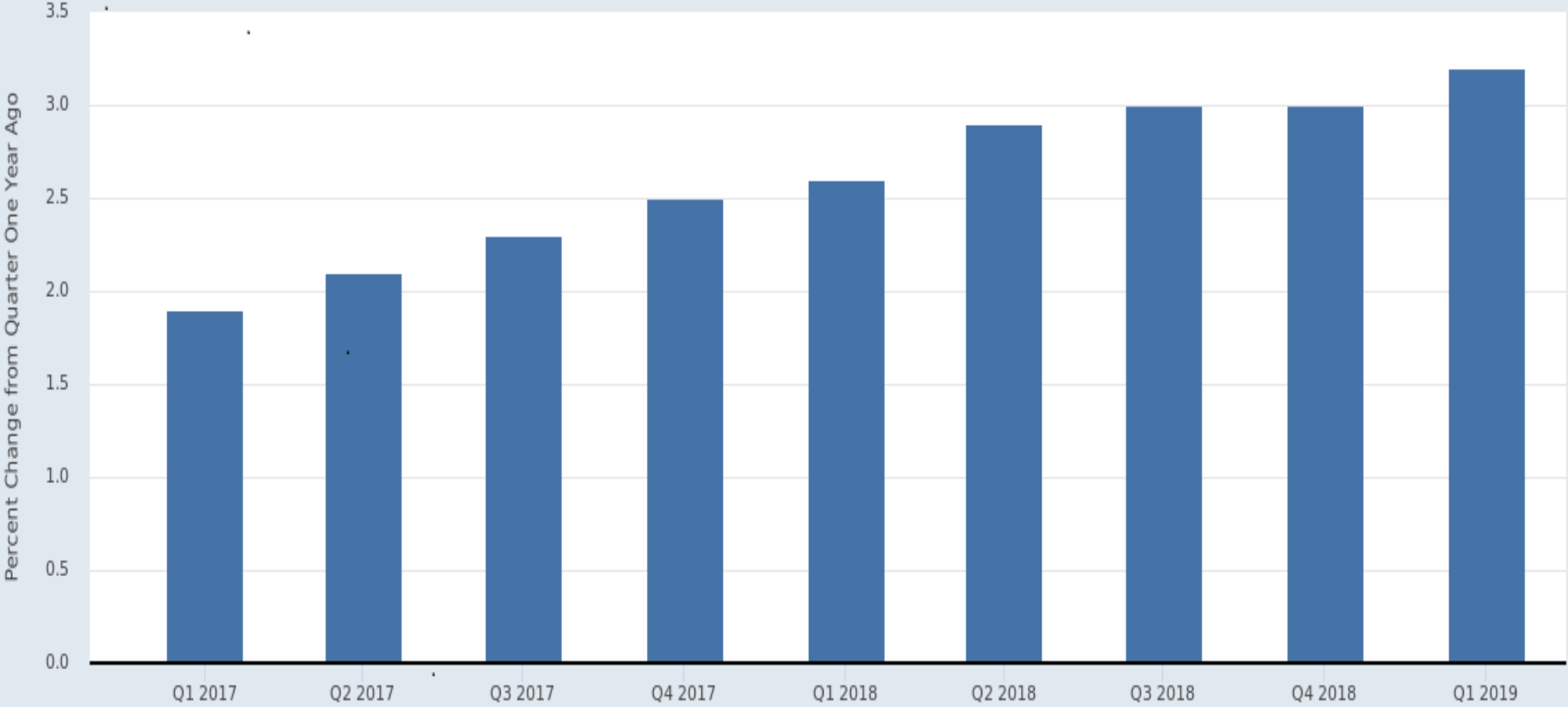
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Greg Piepmeyer, Economist  
Idaho Division of Financial Management**

**June 12, 2019**



# Inflation-Adjusted US GDP Growth

**FRED**  ● Real Gross Domestic Product



*Shaded areas indicate U.S. recessions*

Source: U.S. Bureau of Economic Analysis

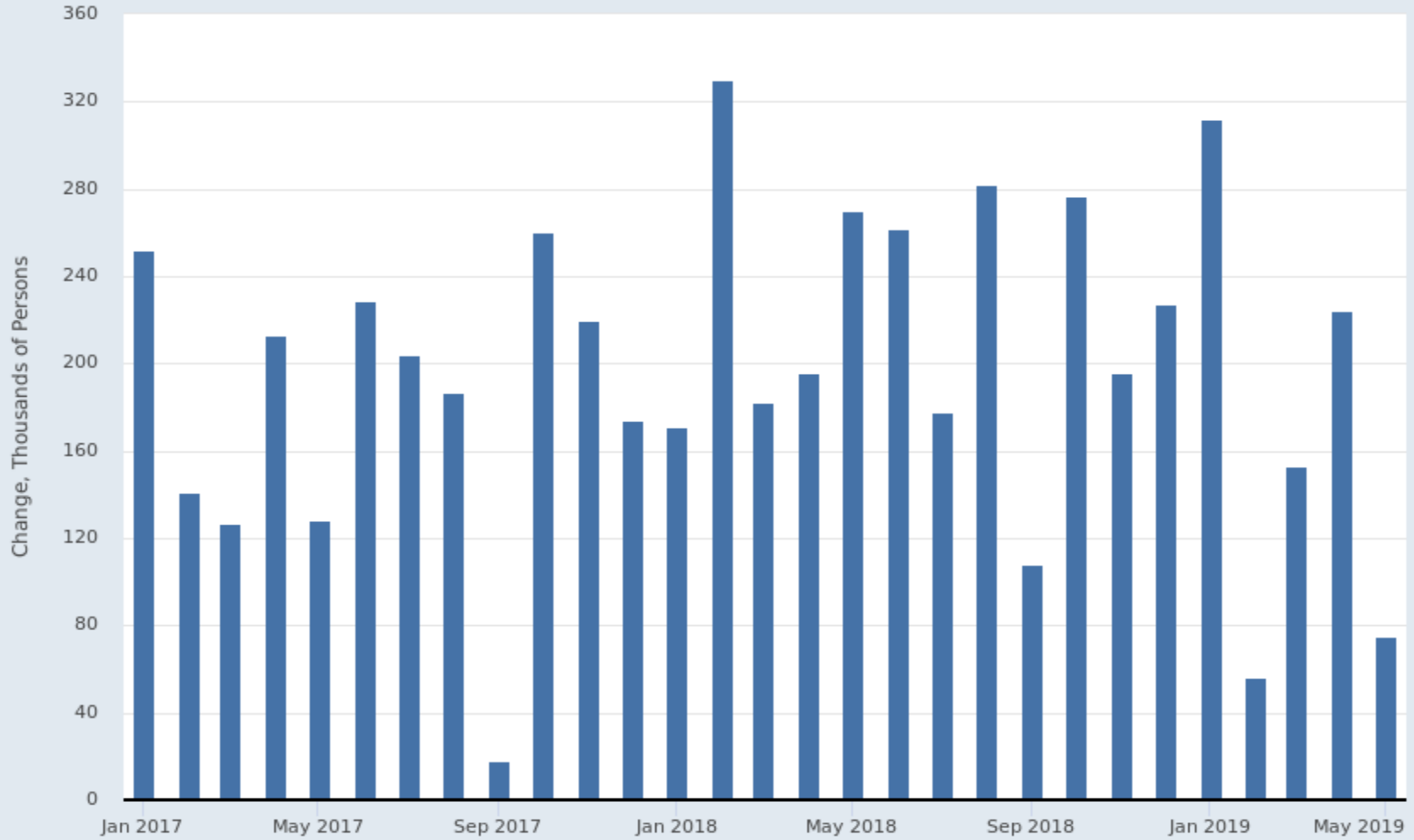
[myf.red/g/o716](https://myf.red/g/o716)



# US Nonfarm Job Growth



● All Employees: Total Nonfarm Payrolls



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

[myf.red/g/o7Px](https://myf.red/g/o7Px)

# US Unemployment Rate

**FRED**

— Civilian Unemployment Rate



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

[myf.red/g/o7PO](https://myf.red/g/o7PO)

# Idaho Unemployment Rate

FRED 

— Unemployment Rate in Idaho



Shaded areas indicate U.S. recessions

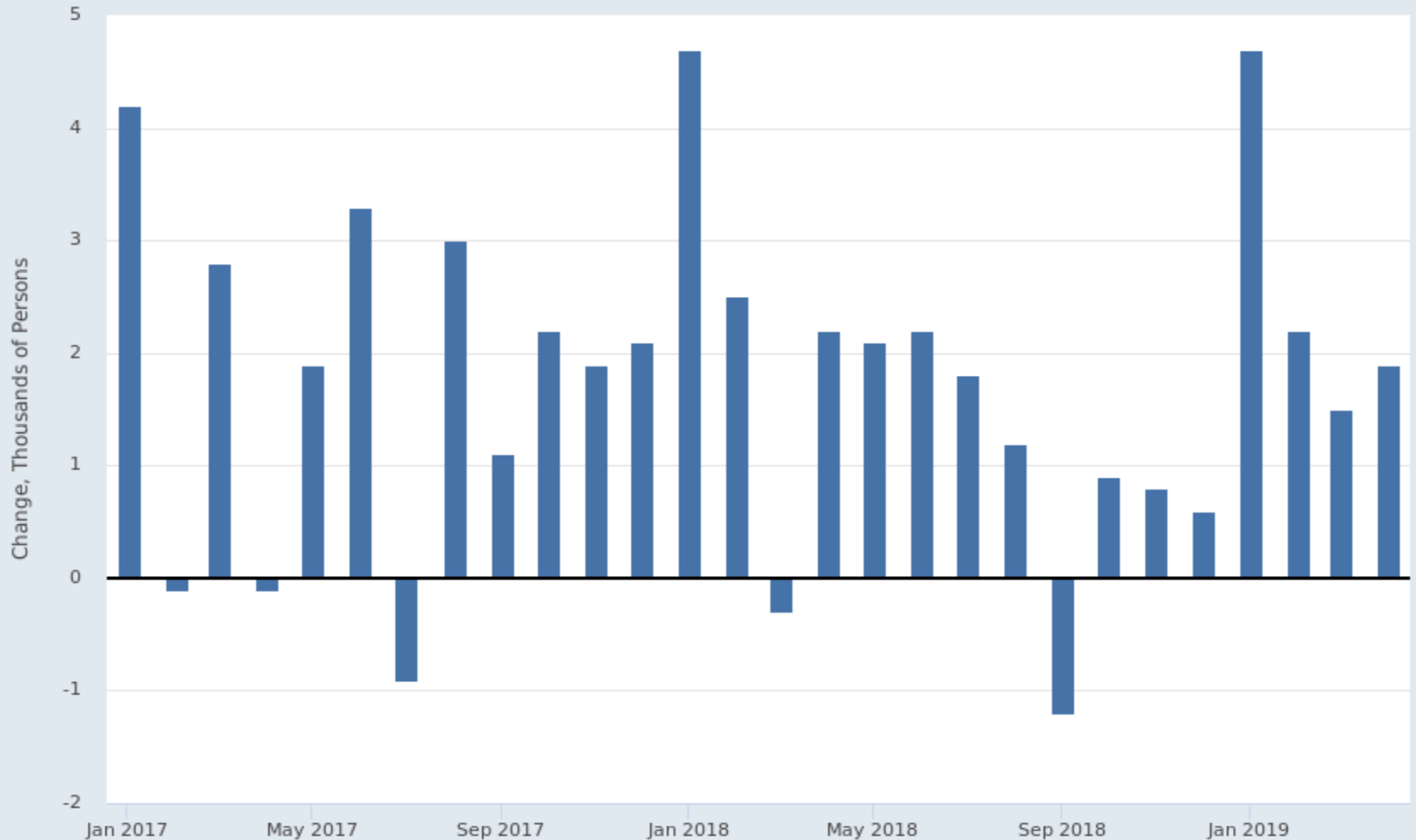
Source: U.S. Bureau of Labor Statistics

[myf.red/g/o7oO](https://myf.red/g/o7oO)

# Idaho Nonfarm Job Growth

FRED

● All Employees: Total Nonfarm in Idaho



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

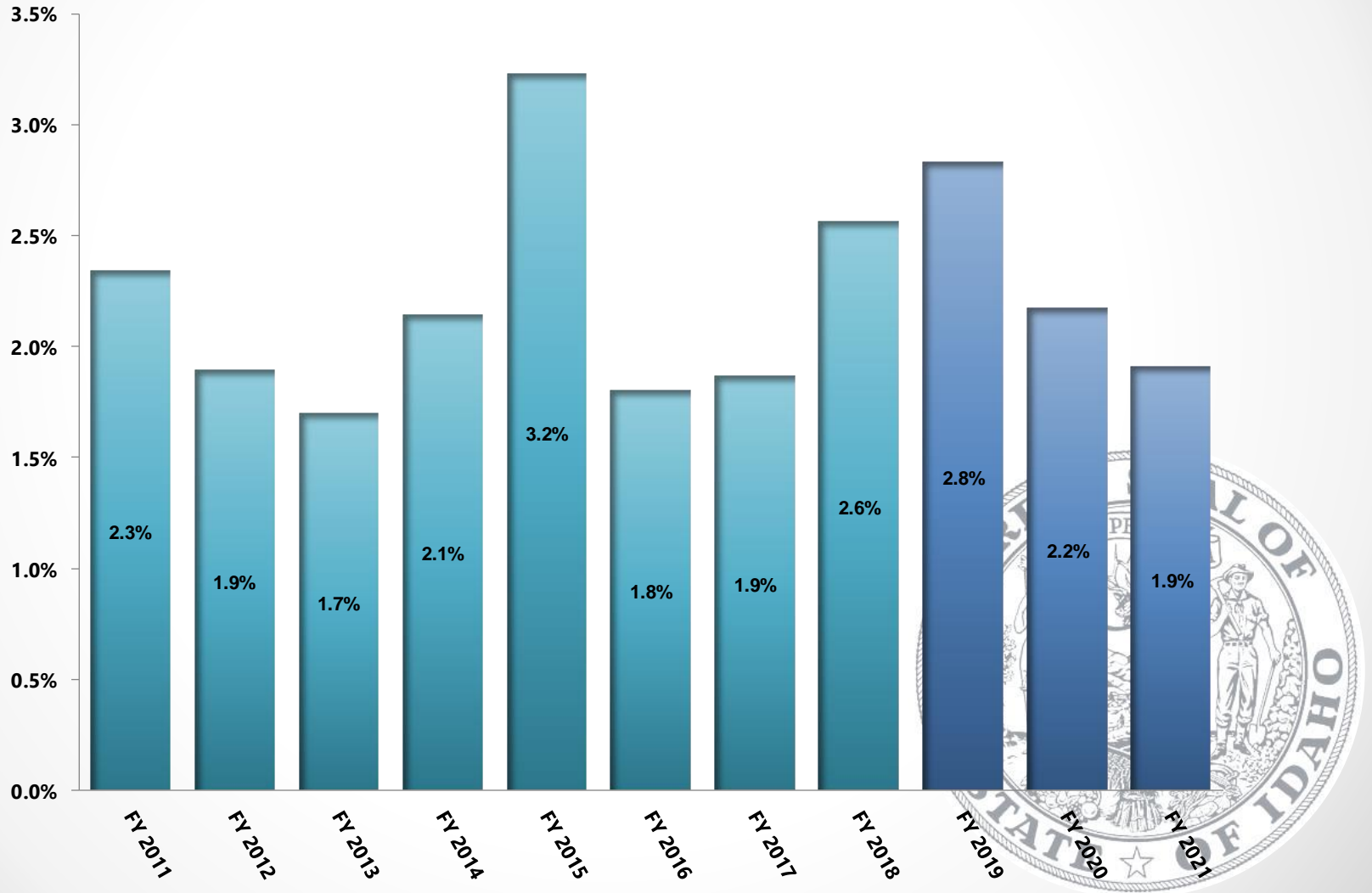
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# Recession?

- 1) **Estimated Probability of No National Recession 70%**
- 2) **Estimated Probability of National Recession 30%.**
- 3) **Odds are 7 to 3 of a Recession**

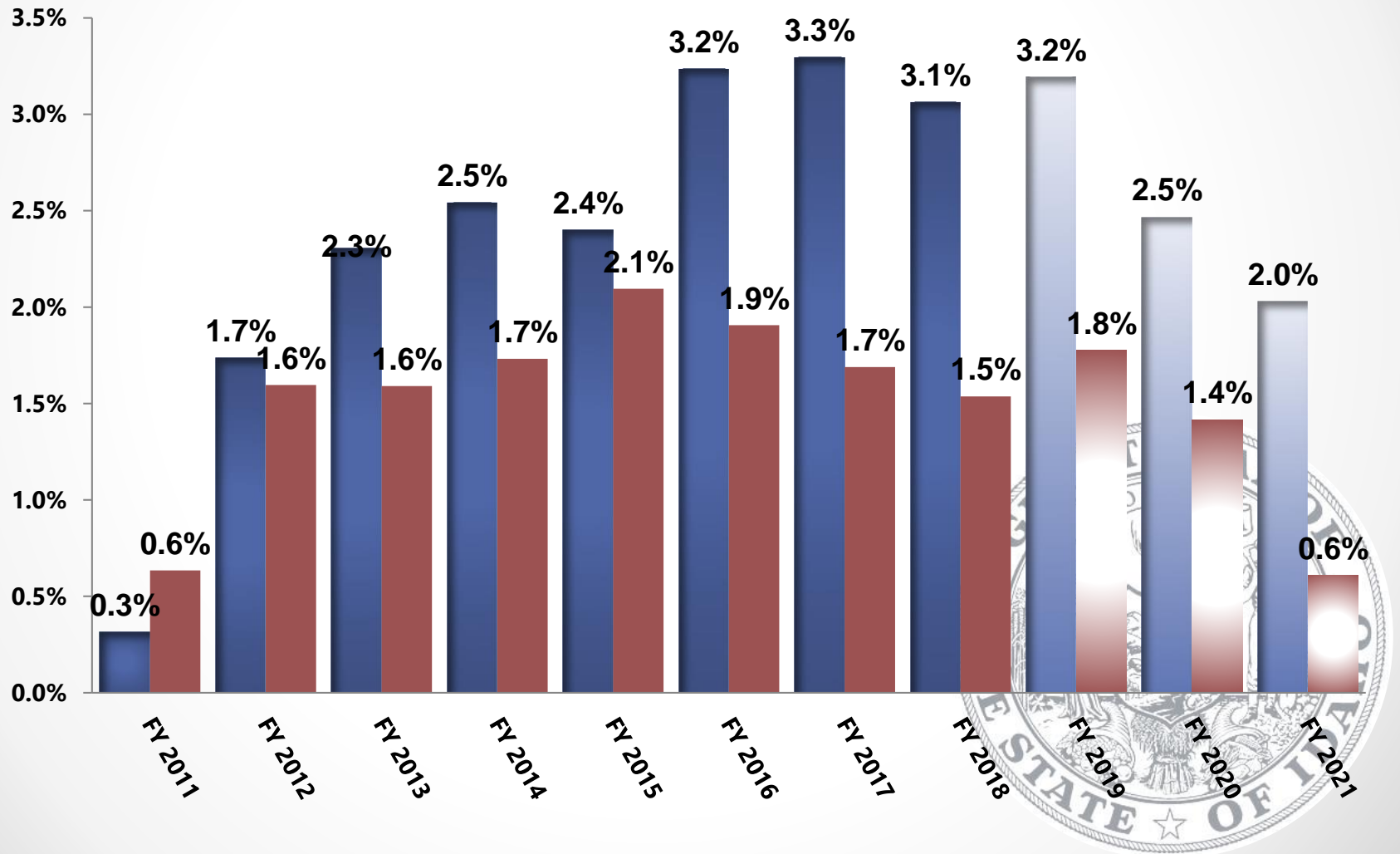


# Projected Inflation-Adjusted US GDP Growth

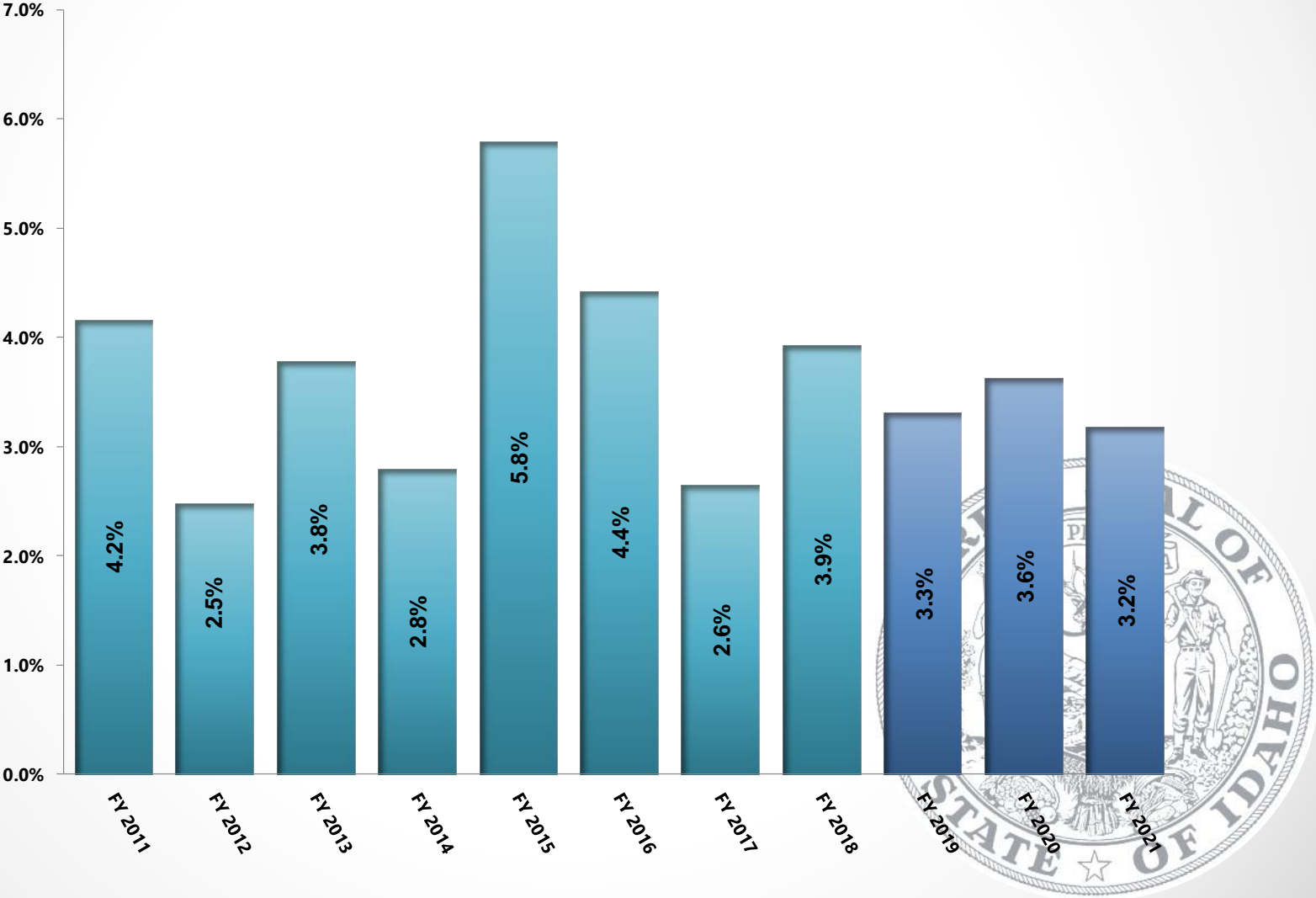




# Nonfarm Employment Growth



# Idaho Inflation-Adjusted Personal Income Growth



**IDAHO GENERAL FUND REVENUES**  
**(\$ MILLION)**

SOURCE	ACTUAL				FORECAST		
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>INDIVIDUAL INCOME TAX</b>	<b>\$1,470.857</b>	<b>\$1,513.169</b>	<b>\$1,651.196</b>	<b>\$1,828.282</b>	<b>\$1,773.800</b>	<b>\$1,954.259</b>	<b>\$2,057.100</b>
% CHANGE	10.7%	2.9%	9.1%	10.7%	-3.0%	10.2%	5.3%
<b>CORPORATE INCOME TAX</b>	<b>\$215.403</b>	<b>\$186.869</b>	<b>\$214.020</b>	<b>\$238.708</b>	<b>\$223.181</b>	<b>\$256.323</b>	<b>\$268.022</b>
% CHANGE	14.4%	-13.2%	14.5%	11.5%	-6.5%	14.8%	4.6%
<b>SALES TAX</b>	<b>\$1,218.770</b>	<b>\$1,303.028</b>	<b>\$1,382.418</b>	<b>\$1,490.015</b>	<b>\$1,575.564</b>	<b>\$1,667.036</b>	<b>\$1,764.097</b>
% CHANGE	6.4%	6.9%	6.1%	7.8%	5.7%	5.8%	5.8%
CIGARETTE TAX	\$3.338	\$7.900	\$9.975	\$7.306	\$10.388	\$7.939	\$9.513
TOBACCO PRODUCTS	\$10.505	\$11.596	\$12.652	\$13.253	\$14.177	\$14.581	\$14.967
BEER TAX	\$1.911	\$1.934	\$1.935	\$1.965	\$1.972	\$1.989	\$2.006
WINE TAX	\$4.238	\$4.481	\$4.652	\$4.815	\$5.043	\$5.324	\$5.626
LIQUOR SURCHARGE	<u>\$25.480</u>	<u>\$25.890</u>	<u>\$28.880</u>	<u>\$30.960</u>	<u>\$33.235</u>	<u>\$33.866</u>	<u>\$35.696</u>
<b>PRODUCT TAXES</b>	<b>\$45.471</b>	<b>\$51.801</b>	<b>\$58.094</b>	<b>\$58.299</b>	<b>\$64.815</b>	<b>\$63.700</b>	<b>\$67.807</b>
% CHANGE	3.8%	13.9%	12.1%	0.4%	11.2%	-1.7%	6.4%
KILOWATT-HOUR TAX	\$1.918	\$1.877	\$2.108	\$2.592	\$2.200	\$2.000	\$2.000
MINE LICENSE TAX	\$0.069	(\$0.247)	\$0.050	\$0.024	\$0.100	\$0.125	\$0.150
INTEREST EARNINGS	(\$1.571)	\$0.324	(\$0.147)	\$4.654	\$6.389	\$12.390	\$13.002
COURT FEES AND FINES	\$6.141	\$6.025	\$8.444	\$9.184	\$7.852	\$7.886	\$8.007
INSURANCE PREMIUM TAX	\$61.747	\$72.123	\$75.423	\$70.486	\$67.886	\$68.416	\$70.409
ALCOHOLIC BEVERAGE LICENSES	(\$0.003)	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000
UCC FILINGS	\$2.765	\$3.009	\$3.169	\$3.484	\$3.684	\$3.885	\$4.085
UNCLAIMED PROPERTY	\$6.293	\$9.928	\$10.369	\$8.507	\$9.000	\$9.000	\$9.000
LANDS	\$0.720	\$0.000	\$0.130	\$1.141	\$0.032	\$0.031	\$0.031
ONE-TIME TRANSFERS	\$1.987	\$8.596	\$14.338	\$8.806	\$3.053	\$0.000	\$0.000
ESTATE TAX	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OTHER DEPTS & TRANSFERS	<u>\$26.198</u>	<u>\$27.192</u>	<u>\$28.796</u>	<u>\$7.424</u>	<u>\$12.766</u>	<u>\$12.379</u>	<u>\$12.582</u>
<b>MISC. REVENUE</b>	<b>\$106.265</b>	<b>\$128.828</b>	<b>\$142.679</b>	<b>\$116.301</b>	<b>\$112.961</b>	<b>\$116.113</b>	<b>\$119.267</b>
% CHANGE	-1.9%	21.2%	10.8%	-18.5%	-2.9%	2.8%	2.7%
<b>TOTAL GENERAL FUND*</b>	<b>\$3,056.77</b>	<b>\$3,183.694</b>	<b>\$3,448.407</b>	<b>\$3,731.606</b>	<b>\$3,750.321</b>	<b>\$4,057.430</b>	<b>\$4,276.293</b>
% CHANGE	8.6%	4.2%	8.3%	8.2%	0.5%	8.2%	5.4%

**FISCAL YEAR-TO-DATE ACTUAL AND PREDICTED COLLECTIONS THROUGH MAY**

	<i>Actual May FY 2017</i>	<i>Actual May FY 2018</i>	<i>Actual May FY 2019</i>	<i>Predicted May FY 2019</i>	<i>Forecast Performance</i>	<i>May FY 2019</i>
<b>Individual Income Tax (\$000)</b>	\$1,533,423.9	\$1,713,760.0	\$1,543,034.1	\$1,636,051.1	<b>Difference</b>	<b>(\$93,017.1)</b>
<b>Percent Change from Previous Year</b>	8.8%	11.8%	-10.0%	-4.5%	<b>Percent</b>	<b>-5.7%</b>
<b>Corporate Income Tax (\$000)</b>	\$183,529.0	\$200,894.0	\$245,884.9	\$196,432.7	<b>Difference</b>	<b>\$49,452.2</b>
<b>Percent Change from Previous Year</b>	17.2%	9.5%	22.4%	-2.2%	<b>Percent</b>	<b>25.2%</b>
<b>Sales Tax (\$000)</b>	\$1,255,192.6	\$1,354,883.5	\$1,455,872.3	\$1,439,900.4	<b>Difference</b>	<b>\$15,971.9</b>
<b>Percent Change from Previous Year</b>	5.5%	7.9%	7.5%	6.3%	<b>Percent</b>	<b>1.1%</b>
<b>Product Taxes (\$000)</b>	\$53,708.7	\$53,775.8	\$59,498.2	\$59,807.0	<b>Difference</b>	<b>(\$308.8)</b>
<b>Percent Change from Previous Year</b>	12.7%	0.1%	10.6%	11.2%	<b>Percent</b>	<b>-0.5%</b>
<b>Miscellaneous Revenue (\$000)</b>	\$61,473.9	\$61,562.3	\$69,136.7	\$63,372.6	<b>Difference</b>	<b>\$5,764.1</b>
<b>Percent Change from Previous Year</b>	17.7%	0.1%	12.3%	2.9%	<b>Percent</b>	<b>9.1%</b>
<b>Total (\$000)</b>	\$3,087,328.1	\$3,384,875.5	\$3,373,426.3	\$3,395,563.8	<b>Difference</b>	<b>(\$22,137.6)</b>
<b>Percent Change from Previous Year</b>	8.1%	9.6%	-0.3%	0.3%	<b>Percent</b>	<b>-0.7%</b>