

Jim Woodward

District 1

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April 1, 2022

Dear Friends and Neighbors of Legislative District 1,

The 2022 legislative session adjourned for the year on March 31st. Accomplishments of the session are an indicator of Idaho's strong economy and the significant population growth we are seeing. With the tax revenues available, we made record investments in transportation and education, funded much-needed improvements for public safety and the Idaho State Police, cut the income tax rate, provided tax relief by returning taxpayer money to Idaho taxpayers, and were still able to put money in the rainy-day savings accounts.

I am cautious in assuming we will see ever-increasing tax revenues at the state level. We certainly have a growing population that is contributing to state economic growth, but I believe we also are still seeing the effects of federal dollars flowing into the state. These federal funds cannot continue at the current rate. The national debt as compared to gross domestic product is at a level only previously seen after World War I and World War II.

In line with this cautious approach, all efforts were made in the budgeting process to match ongoing commitments with ongoing tax revenue. One-time revenue will be used for one-time projects. As an example, federal funds for sewer and water improvements are not being put in the base budget of a state agency. Instead, those one-time funds will go out primarily to municipalities and rural water and sewer districts for capital improvement projects necessary for safety and continued function. Spending the money on capital improvement projects ensures a long-term return.

An additional use of one-time funds this year is the Empowering Parents Grant Program (\$1255). All Idaho students, whether home-schooling or in a public or private school, are eligible for up to \$1000 for educational expenses with a limit of \$3000 per family. The program will be administered by the State Board of Education at <https://boardofed.idaho.gov/>. Details should be available soon.

A renewed commitment to our public schools was made this legislative session with more than \$300 million in new ongoing general fund dollars provided. This is a 12.5% increase in the K12 schools' budget, necessary for retention and recruiting in the current inflationary environment as well as to keep up with student population growth. Nearly one-third of the increase was to bring school employee health benefit funding on par with state employees. In addition, the previously approved teacher career ladder pay scale increases were made. Additional funding was also provided for K3 literacy programs which schools may use to provide optional all-day kindergarten.

The state funding increases for our K12 schools are a benefit to the local property taxpayer. School budgets are funded by a combination off federal, state, and local property tax dollars. As more state funds are provided, the contribution from property taxes can be reduced.

Another benefit to our rural areas is the transportation funding authorized this year. \$200 million is now available for bridges on our local road systems throughout Idaho. Bonner and Boundary Counties have fared well in the past through the competitive grant application process that will be used again to distribute these funds. I expect we will see several projects in our area to upgrade small bridges that are worn out. In addition to the \$200 million for bridges, there is another \$200 million for highway maintenance that will go to the Idaho Transportation Department and to local road systems in a 60/40 split. This means our cities and counties will get their share of \$80 million of new maintenance funds.

Emergency responders across the state will benefit from \$10 million in upgrades to the public safety communication infrastructure. The Idaho State Police will have a new forensics lab for use in combatting crime and drug trafficking as well as two new investigators dedicated to combatting drug trafficking across the southern U.S border and into Idaho. Fentanyl and other narcotics are a significant issue that we must address in our state.

The Idaho income tax rate is now 6%, down from 7.4% just over five years ago. In addition to the rate reduction, tax rebate checks are going out now. The amount you will receive is 12% of what you paid in 2020 or a minimum of \$75.

Below is a list of new laws from the legislative session that you may find of interest. All these recently passed bills can be viewed at <https://legislature.idaho.gov/sessioninfo/>.

H509 Grocery Tax Credit – The credit was increased from \$100 per person to \$120. A family of four can now annually purchase \$8000 of groceries tax free.

S1378 – Endangered Missing Person Alert – This is a new tool for inter-jurisdictional notice of a missing person.

H700 Off-Highway Vehicles – OHVs with the small white off-road plate can now travel up to five miles on roads posted at 65 mph or less. The OHV speed limit is 45 mph.

H532 – Election Review – This is an election security bill allowing the Secretary of State or the County Clerk to request judicial review of an election in district court.

H650 – School Curriculum Adoption Committees – Requires curriculum selection by a school district be performed through a committee process including parents of students in the district.

S1262 and H705 – These are similar bills regarding Second Amendment rights during a state Extreme Emergency (H705) or Disaster Emergency Declaration (S1262). Firearms businesses are essential businesses and firearms may not be seized.

H756 – Crisis Standards of Care – Ensures visitation rights to family members in a hospital or assisted-living facility when crisis standards of care are activated.

I believe that the financial decisions described above, as well as the policy choices in the new laws, reflect our Idaho values. We strive to find a balanced approach between today's obligations, investments in our future, positioning ourselves for potential economic distress, and a respect for the hard-earned taxpayers' dollars. We value our freedoms and our independence. I don't know of another state that is doing as well as Idaho or that I would rather live in. The challenge is to keep what we have.

Sincerely,

Jim Woodward
State Senator, Legislative District 1