



2023 STATE OF THE STATE AND BUDGET ADDRESS

Governor Brad Little
January 9, 2023

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.

Only one word captures what we have accomplished for Idahoans over the past few years – historic.

Our state's success is nothing short of extraordinary.

Less than three years ago, an unpredictable storm arose, threatening to weaken us and make us lose sight of our destination. Thankfully, we stayed on course.

Throughout these turbulent few years, we never lost our direction because we always put IDAHO FIRST.

And now, Idaho IS first (or near first) in just about every national ranking of economic strength, budget stability, and good government.

We didn't just weather the storm, we thrived.

Folks, our success did not happen by accident.

What we're doing is working, and I am prepared to work with all of you to accelerate our pace, continue leading the country, and keep putting IDAHO FIRST.

The People's House today is full of energy, enthusiasm, and sincere motivation to get things done. I want to congratulate you, our legislators, those new to this process and those who have been around for awhile. I am very excited to work with all of you, and I thank you for your genuine desire to serve the people of Idaho.

I also want to congratulate all the legislators in leadership, especially my good friend and colleague for many years, our new House Speaker, Mike Moyle. I know that by working

together, with Speaker Moyle, Pro Tem Chuck Winder, and all of you – my legislative partners – we will do more historic things for the State of Idaho.

We also have some new constitutional officers – Superintendent of Public Instruction Debbie Critchfield, Attorney General Raul Labrador, Secretary of State Phil McGrane, and our new Lt. Governor Scott Bedke.

Please join me in congratulating them, and everyone who earned the confidence of the voters in November!

I also want to acknowledge the person in my life who grounds me and reinforces family values every day – our First Lady, Teresa. Teresa, you have always prioritized the things that matter most in life. Thank you. I love you.

And to the people of Idaho, I am so humbled and grateful that you trust me to be your Governor for the next four years. It has been the greatest honor of my life to serve you and help chart a course for our state. Thank you.

After any election, the political wonks (including myself) dive deep into the results. And one thing on the ballot was more popular than any contested candidate.

What was it? The people's vote on education and tax relief.

80-percent – four out of five Idaho voters – approve of what we achieved during the 2022 extraordinary session last September.

We recognized the financial emergency facing Idaho families and schools as they grapple with the impacts of 40-year high inflation. We used our projected budget surplus to provide every Idahoan an immediate tax rebate and passed a new, lower flat income tax so Idahoans can keep more of their hard-earned money moving forward.

We also put the single largest ongoing investment ever into Idaho education - \$330 million for public schools and \$80 million for in-demand career training.

The people's vote affirming tax relief and our education investments passed in every single county, every single city, and every single legislative district.

The overwhelming support of our plan means, unmistakably, Idahoans expect us to support public schools.

Idahoans spoke loud and clear with their votes.

And... I will sheepishly admit, I checked the ballot results in Emmett. Would you believe, funding education and cutting taxes was more popular than their hometown governor?

It's one of those healthy reminders that WHAT we do here is far more important than any one of us, and the work we do will outlive all of us.

Let's focus on the big things. Let's spend our time and energy to improve the lives of Idahoans for generations to come.

With the winds at our back and a strong mandate from every corner of Idaho, let's work together to translate the people's vote into action by making – dare I say historic – investments in education, a reality.

Here's what else I took from the election. Idahoans like being first in economic momentum, revenue growth, job growth, responsible government, and cutting red tape. Idahoans like being a top ten state for economic outlook and strong fiscal policy. Idahoans like a flourishing economy, historic tax relief, and record education investments.

Plain and simple, the people of Idaho have given us a mandate: to stay on course, put IDAHO FIRST, continue down this path of prosperity, and keep investing in education.

To the people of Idaho: we are listening, and we will continue to deliver. We are not backing down on education; we are doubling down on education.

The budget and policy recommendations I am mapping out today deliver on the mandate given to us by the people of Idaho.

My plan is called IDAHO FIRST.

And first in the plan is education.

Four years ago, I stated my goal: to make Idaho 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.

Expanded economic opportunities are providing the jobs for our kids, and now we need to foster better jobs, higher incomes, and a better quality of life that we all can be proud of.

I'm a businessman and a family man. I look at every issue through the lens of what our businesses and families need to prosper. We all benefit from a strong economy, one where businesses can offer rewarding careers and opportunities that lead to strong families and strong communities.

As I travel the state and listen to employers about their challenges, workforce tops the list.

We've made huge progress in connecting employers with resources to train employees, and my IDAHO FIRST plan helps get even more skilled workers through their doors.

I am very proud to announce my budget provides access to a scholarship of \$8,500 starting next year to graduating high school students in Idaho to attend an Idaho university, community college, career technical or workforce training program of their choice.

Never have we provided a catalyst of this magnitude for students to “go on,” in whatever way suits them. There are many pathways to success in today’s economy and all pathways deserve our support. For some students, it means getting their CDL, becoming a lineman, or pursuing welding. For others, it is engineering, teaching, healthcare, or business. No matter what path a student chooses we are making it easier for them to get the advanced training they need to propel themselves and Idaho’s economy forward.

The “Idaho Launch” scholarship will be the single largest investment in career technical and workforce education in state history.

We want Idaho students brought up in Idaho schools working in Idaho jobs.

This past fall, the student body presidents at College of Western Idaho, Boise State University, Lewis-Clark State College, and University of Idaho wrote an article on the need to invest directly in our students – our future workforce.

The students, Adam Jones from Emmett, Tanner McClain from Middleton, Caden Massey from Kamiah, and Flora Koenig from Boise said, “...Now more than ever we can’t afford for our students to leave Idaho... A statewide scholarship program will not only benefit Idaho students but will help to keep our economy growing and competitive for the next generation... It is time to keep Idaho’s future in Idaho.”

I don’t know about you, but I think these students nailed it. We have them here with us today. Adam, Tanner, Caden, and Flora, please stand so we can recognize you.

A person’s foundation for success in life starts very young, and it starts in the home. The education of our children will always rest first and foremost with the family. Schools are partners with parents, and that is why we are making historic investments in both families and schools.

Where parents are heavily involved in their child’s school and education, we see better academic performance.

In fact, Idaho is first in the nation for overall return on investment for education spending, which speaks to the dedication of Idaho families to prepare their children for productive learning every single day.

We are also third in the nation for education freedom – measures that include spending, school choice, transparency, and regulations.

Whether it is traditional public schools, public charter schools, public magnet schools, private schools, online academies, or homeschooling, hundreds of schooling options are available to Idaho families.

In fact, Idaho is one of only a handful of states with the fewest restrictions on allowing parents to send their child to any public school they wish, and we are a top ten state for the number of students enrolled in public charter schools.

To further reinforce parents' role as the primary decision makers in their children's education, my IDAHO FIRST plan makes permanent the Empowering Parents grant program. The grants help families take charge of tools for their children's education – things like computers and software, instructional materials, and tutoring. These resources help children progress outside of the classroom. To date, we have served tens of thousands of students with these grants.

The Empowering Parents grants are effective, popular, and worthy of continued investment. Most importantly, they keep parents in the driver's seat of their children's education, as it should be.

The Idaho Constitution recognizes the endurance of our republican form of government depends upon an educated, intelligent people. As such, the founders spelled out the duty to “establish and maintain a general uniform and thorough system of public free common schools.”

As elected leaders, we promise to uphold this contract with the people when we take the oath of office.

Our commitment to public schools is both our constitutional obligation and it is our moral obligation.

My IDAHO FIRST plan delivers on both the constitutional mandate and the mandate from the voters of Idaho by investing in our public schools.

Here with us today, we have some fourth graders and fifth graders from Centennial Elementary School in Nampa, and their teacher, Jaimee Hoesing. Thank you for being here.

What better way to strengthen our schools than to invest in the people on the frontlines of education – our teachers.

Teachers get to work early so they are prepared when their students arrive. Teachers are adapting all day long to a variety of learning styles and individual needs. Teachers spend their evenings and weekends grading papers and replying to parents and students. Best of all, teachers are passionate about preparing students for eventual careers and making them feel safe and supported.

Our students and their families deserve quality teachers who are respected and compensated competitively. Great teachers can motivate and change the trajectory of a student's life.

That is why my plan boosts starting teacher pay yet again – finally targeting Idaho in the top 10 states for starting teacher pay.

When I started this job four years ago, Idaho was 41st in the country for starting teacher pay. In four short years, we will have catapulted starting teacher pay in Idaho from the bottom 10 to the top 10.

We're also going to grow the salaries of all teachers, including the most experienced ones, to ensure students have the classroom support they need.

What does that mean for the average Idaho teacher? A \$6,300 pay raise.

When we show teachers we support them, we're showing families their child's education is our priority.

I am also proud that we have made great advances in my top education priority over the past four years – literacy.

Learning to read from a young age is the best foundation for learning later on and makes our investments worthwhile. Since I took office, we have increased literacy funding five-fold. Local school districts determine how best to deploy the resources, everything from expanded Kindergarten, reading coaches, reduced class sizes, or summer reading programs.

This past fall, reading scores for all Kindergarten-through-third grade students are the highest in years, with impressive gains among our youngest learners. The scores are steadily increasing, and while we have more work to do, the results are encouraging and they show we are headed in the right direction.

We must continue to prepare our younger generation with the education, skills, and lifelong passion for learning – and that's why we are putting IDAHO FIRST and education first.

You know, most people want the same things – health, safety, high quality of life, freedom to choose their own path, strong schools, an abundance of rewarding, reliable career opportunities, and to keep more of their hard-earned money.

Our ability to deliver on those things – or at least not stand in the way of them – determines our fate. We've all seen states that continually fail. As a result, people don't want to live there.

But in Idaho, we are striking the right balance between investing in key critical areas like our schools and giving back more of Idahoans' money. In just three years, we have given back more than ever before in Idaho history – a whopping \$2.7 billion to Idaho citizens and businesses.

No other state in the country has given more tax relief per capita than Idaho. And we're not done yet!

We deployed \$2.7 billion in immediate tax relief in four ways: slashing payroll taxes for small businesses, increasing the grocery tax credit, giving Idahoans the largest-ever reimbursement of their property taxes in 2020, and of course, back-to-back-to-back income tax rebates and back-to-back-to-back tax cuts for both personal income and corporate income.

The tax rebates helped thousands of small businesses across our state as well as senior citizens on fixed income, providing relief from crushing inflation where everything from food to fuel has skyrocketed.

Our commitment to cutting taxes doesn't just start and end with one-time relief. We also cut back Idahoans' ongoing tax burden by more than \$650 million. We took the income tax from six brackets down to one and created a fair, predictable, and lower flat income tax once and for all.

Folks, what we're doing is working.

Consider this: the Tax Foundation ranks states on their business tax climate. It is a useful barometer of a state's competitiveness to attract and retain businesses. In just four years we've risen six spots, and that's even before accounting for the income tax reductions adopted during last year's special session.

Cutting taxes keeps our business climate competitive, allows Idahoans to keep more of what they earn, and it is just the right thing to do.

One area where we really shine may surprise you. The Tax Foundation ranks Idaho as having the third lowest PROPERTY TAXES in the country.

So why does that feel surprising to so many?

When your property tax bill arrives, you see it at once. It's not hidden in each paycheck. It's not pennies on the dollar on every purchase you make.

You get a bill for the full amount, and I understand why many Idahoans struggling under the weight of record inflation get sticker shock when the bill from local government arrives.

The reality is, no property taxes are paid to state government. No state official in this room can decide what local property taxes will be. Local governments alone set their budgets.

However, some of the parameters around local property tax are set in state law, like the circuit breaker, so people turn to the state leaders in this room for an answer.

Idahoans want relief from rising property taxes, and we hear them. My IDAHO FIRST plan puts another \$120 million toward property tax relief to answer the call for help from Idahoans.

There is no doubt Idaho's tremendous pace of growth is putting a strain on services at the local level, which increases the potential to drive up your local property taxes. But too often, we are simply shifting burdens across taxpayers when we should be addressing the needs head-on.

Let us work on better ways to facilitate growth paying for growth and give local governments the tools they need to keep taxes low.

How? By continuing to make long-range strategic investments in roads, water, and other key areas to maintain our high quality of life.

The fact is, investing in local infrastructure IS property tax relief. Over the past two years, we made the biggest investments ever in our most precious resource – water. When we invested in drinking water and wastewater infrastructure, we saved Idaho citizens the local taxes or fees they would otherwise pay to cover those improvements. Now I am proposing more investments in water quantity and water quality infrastructure to not only reduce the burden on local property taxpayers but also to secure abundant clean water for years to come.

Investing in local roads and bridges IS property tax relief. Last year, we put nearly half a billion dollars into local roads, bridges, and airports. We took a major bite out of the backlog of deficient bridges that local governments have struggled for years to repair. And we did it without raising taxes or fees. That buys us not just property tax relief but safer roads, less drive time, and less congestion. Now I am proposing even more for local bridges and new, ongoing funding for transportation safety and capacity to build on our success.

We will continue to help keep taxes low, but we must do so responsibly.

We all see the flashing red lights in the economy. Washington, D.C., is driving America toward an economic cliff and seemingly pushing down on the gas.

Perhaps never have Lt. Governor Bedke's grandfather's words rung more true: "It won't be the bad years that put you out of business; it's what you did in the good years that sets you up for failure or success."

We must be prudent. We must prepare for the impending economic downturn, and now more than ever we must make wise decisions that stand the test of time. We can't cut beyond the level of service Idahoans demand, and we must not use our one-time surplus for wasteful spending.

Given the economic volatility on the near horizon, this may be our one last shot in the near future to make strategic tax cuts that will sustain a balanced budget over time.

Let's work together and unlock our creativity to put these \$120 million of property tax relief to the highest and best use.

We're also making a difference with our investments in safe and healthy communities.

We're on track to advance all of the recommendations from our historic three-branch Behavioral Health Council, and this year my IDAHO FIRST plan does even more to improve resources for troubled youth in mental health crises. We are also going to make behavioral health services more accessible for the neediest of our neighbors and add more doctors for rural Idaho and more healthcare workers overall.

And my IDAHO FIRST plan Backs the Blue again, adding 10-percent pay raises for our brave and dedicated law enforcement officers. What does this mean for your average state police trooper? It means a \$6,000 raise.

I've said it before and I'll say it again, while other places seek to defund the police, here in Idaho we DEFEND the police!

Our men and women in law enforcement work tirelessly to keep us safe, many times confronting the most heinous side of humanity. This past fall, four young lives were ended in one of the worst crimes our state and our nation has seen. Ethan, Kaylee, Xana, and Maddie were brutally murdered in a home near the University of Idaho campus. The loss of these incredible people is felt exponentially, and we will never forget them. We will vigorously seek justice for the victims and the many loved ones they leave behind, and I ask everyone now to please pause in a moment of silence and prayer for them.

Our law enforcement heroes handled this loss with professionalism, and they routinely encounter dangerous and difficult situations to keep us safe, especially when it comes to fentanyl.

We are losing more and more young lives to the most potent and deadliest drug our society has faced. Fentanyl is 50 times more potent than heroin, 100 hundred times more potent than morphine, and hard to detect. Fentanyl is now the leading cause of death for American adults under 50.

Michael Stabile, a 15-year-old from Coeur d'Alene, was another young Idahoan with a bright future whose promising life was cut short. Michael tragically lost his life when he took a pill he thought was a pain reliever but came from an unknown source. The pill contained a lethal trace of fentanyl – as small as a grain of salt – killing him almost instantly.

Michael's mom and dad, Jennifer and Frank Stabile, are here with us today. Jennifer and Frank, we are so sorry for your loss. Thank you for being here. They described their only child as their "miracle baby," a boy who loved the outdoors and his family dearly.

We are taking steps now to protect our youth from fentanyl, and all of these steps grew out of our Operation Esto Perpetua initiative last year.

To root out this growing problem, I am calling for the development of a new statewide drug interdiction team at the Idaho State Police. In addition, enhanced testing and training and a new educational awareness campaign we just launched will help.

Our campaign is called “All it Takes,” and it launched last week at FentanylTakesAll.org. It will feature Michael’s story and the stories of many other young Idahoans who lost their lives to accidental fentanyl poisoning.

We aim to inform our youth about the dangers of fentanyl – its accessibility, its potency, and its ability to take everything from you and your loved ones, as it did to the Stabiles.

I have seen for myself how Mexico drug cartels control access into our country under the current administration. The vast majority of illicit drugs in Idaho, including fentanyl, are sourced in Mexico. We will not relent in our efforts to end the supply of fentanyl by continuing to work with our states to the south and helping to secure our border.

In 2021, the State of Arizona called for support in controlling the chaos at the border. I sent a team of drug interdiction specialists with ISP to help. I’m pleased to announce that I am sending a team BACK to the border. They will hone their skills and return with even better knowledge to train police in our state on the best ways to get fentanyl off our streets.

Colonel Ked Wills and a few of our state police are here with us today, including Sergeant Darren Gilbertson, Sergeant Chris Cottrell, and Trooper Mitch Howard.

Our law enforcement, active military, and veterans ALL deserve our gratitude for their service and commitment to Idaho. Thank you.

It's easy to be cynical about government when you see what’s happening in Washington, D.C., and other dysfunctional states around the country.

But it's also easy to be inspired by the real difference we are making in Idaho when we put IDAHO FIRST – focusing on schools, tax relief, safe communities, strategic investments, and good government.

Folks, after years of being around the political process, I have learned that politics can complicate otherwise pretty simple concepts.

There is nothing complicated about our state’s success.

And there is nothing complicated about how to keep our success going.

IDAHO FIRST: Listen to the people. Stay on course. Keep the big picture in focus. Don’t lose our direction. Concentrate on what matters well beyond our time here. Double down on our support of schools and tax relief and continue key investments to keep up with growth and make our communities safe.

It’s that simple.

I know you are motivated to get things done, and I am, too. I am grateful for our partnership.

We will put our trust in God, and together we will get our work done efficiently and transparently, focusing on the things that matter.

The people we serve expect us to work together and working together has always been the only way to get HISTORIC things done.

Thank you, and God bless.