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FY 2026 GENERAL FUND BUDGET MONITOR – AUGUST 2025

SUMMARY

The Division of Financial Management (DFM) has recently revised the current year revenue forecast downward by nearly $853.9 million. This revision incorporates law changes passed during the 2025 legislative session and additional forward-looking Idaho economic forecasts. When factored into the current year budget approved by the Legislature, the General Fund ending balance is projected to be negative $79.9 million. This balance is based on the first month of the fiscal year. We will continue to provide monthly updates.

Key points include:

- **Budget Monitor Beginning and Ending Balances**: Fiscal Year 2026 began with a total available cash balance of $358.1 million, which includes $314.5 million in unobligated funds and $43.5 million reserved for reappropriation and executive carryforward. After accounting for updated revenue projections, the projected ending balance is negative $79.9 million.

- **Revenue Forecast Adjustment:** The original January revenue estimate of $6.40 billion was revised downward to $5.55 billion by DFM in the August forecast, reflecting a $853.99 million reduction driven by legislative changes and updated economic data.

- **Governor's Holdback Plan:** To address the projected shortfall, the Governor issued Executive Order 2025-02, directing a 3% General Fund budget holdback across executive branch agencies, excluding Public School Support. If implemented by all state agencies, this would reduce spending by $86.1 million.

REVENUE

DFM Revises Forecast

This section provides information about the revised August 2025 forecast produced by DFM. The revised August 2025 forecast is in total $854 million less than the January 2025 forecast. The following table compares the DFM January 2025 forecast to the revised DFM August 2025 forecast revenue projections by tax collection type:

Tax Collection Type	January 2025 Forecast	Revised August 2025 Forecast	Variance
Individual Income Tax	$ 2,689,055,579.75	$ 2,282,731,405.61	$ (406,324,174.14)
Corporate Income Tax	$ 979,247,316.69	$ 756,048,152.40	$ (223,199,164.30)
Sales Tax (plus $330 M)	$ 2,270,004,164.57	$ 2,233,308,536.63	$ (36,695,627.94)
Product Tax	$ 71,686,452.15	$ 66,734,520.91	$ (4,951,931.25)
Miscellaneous Collections	$ 397,625,068.99	$ 214,801,190.90	$ (182,823,878.09)
Totals	***$ 6,407,618,582.16***	***$ 5,553,623,809.44***	***$ (853,994,772.71)***

Note: DFM produces a revenue forecast three times over the 18-month budget cycle: once in January, the following August, and finally the following January. Each production incorporates additional econometric data and activity, as well as adjusting the output for any law changes that affect revenue collections or distributions to the General Fund.

Most of the changes from January to August are due to the incorporation of several laws affecting General Fund revenue collections or distributions to the General Fund. Those bills are HB 25, HB 40, HB 93, HB 144, HB 226, HB 231, HB 304, and HB 479. Additional changes are from the July 2025 Idaho Economic Forecast, which can be found here: July 2025 Idaho Economic Forecast | DFM Idaho. Additional information can be found on DFM's website here: August General Fund Revenue Report | DFM Idaho

FY 2026 BUDGET:

August Budget Update

Combining the beginning cash balance with the updated revenue forecast results in a total of $5.59 billion in available resources for the year. This is $476.2 million less than projected in April. **Comparing available resources against total legislative appropriation, the projected ending balance is negative $79.9 million (line 19).**

Fiscal Year 2026 began the year with an unobligated cash balance of $314.5 million. An additional cash balance of $43.5 million was reserved for legislative reappropriation and executive carry forward, resulting in a total available cash balance of $358.1 million to start the fiscal year. This amount is $61.6 million less than expected in April (line 3 in FY 2026 table on page 2).

During the 2025 session, the Legislature used a revenue estimate of $6.40 billion. After accounting for the fiscal impact of legislation referenced above, this revenue projection was adjusted downward to $5.92 billion (see line 8 in FY 2026 table on next page). The revised DFM August forecast is $5.55 billion which is $375.5 million less than the Legislature's Sine Die revenue projection (line 8).

July revenues were $39.1 million less than the revised projections (line 9). If monthly revenue collections follow the forecast exactly for the remainder of FY 2026, total annual revenue collections would be $5.51 billion. This forecast is $414.6 million less than the legislature projected in April (line 10).

Governor Orders 3% General Fund Holdback

Last week, the Governor issued Executive Order 2025-02 requiring a 3% General Fund budget holdback to address the projected budget shortfall. The executive order exempts Public School Support from participating in the holdback. If all state agencies participate in the holdback, including the Legislature, Judicial Branch, and elected officials, the impact would be a reduction of $86,078,400 in spending.

This report will continue to monitor revenue collections and will be updated monthly around the 10th business day of each month.

Additional information on revenues can be found on page 4 of this report and appropriation information can be found on the LSO website: Budget Highlights – Idaho State Legislature

FY 2026 GENERAL FUND BUDGET MONITOR – AUGUST 2025

FISCAL YEAR 2025 ENDING BALANCES ($ in Millions)

		At SINE DIE, April 10, 2025	Update	Difference
1.	Available Cash Balance	$364.5	$364.5	$0
2.	FY 2025 Revenue Collections (2.6% more than FY2024)	$5,990.0	$5,861.9	($128.1)
3.	Revenue Adjustments + Cash Transfers	($587.0)	($585.1)	$1.9
4.	***NET REVENUES (Line 1+2+3)***	**$5,767.5**	**$5,641.3**	**($126.2)**
5.	FY 2025 Expenditures	$5,347.8	$5,283.2	($64.6)
6.	Reserved for Carryover (Reapprop & ECF)	$0	($43.5)	($43.5)
7.	***FY 2025 ENDING BALANCE (Line 4-5-6)***	***$419.7***	***$314.5***	***($105.1)***

FISCAL YEAR 2026 ($ in Millions)

	REVENUES	At SINE DIE, April 4, 2025	With Forecast Update Scenario	Difference
1.	Unobligated Beginning Cash Balance	$419.7	$314.5	($105.1)
2.	Cash Reserved for FY 2025 Reappropriation/Carry Forward	$0	$43.5	$43.5
3.	**Available Cash Balance**	**$419.7**	**$358.1**	**($61.6)**
4.	Original FY 2026 Revenue Forecast	$6,400.0	$6,400.0	$0
5.	DFM Forecast Difference	$0	$7.0	$7.0
6.	Adjustments for 2025 legislation	($470.9)	($470.9)	$0
7.	Adjustments for August Revised Forecast	$0	($382.5)	($382.5)
8.	Revised Forecast Number	$5,929.1	$5,553.6	($375.5)
9.	Ahead (Behind) Revised Revenue Target	$0	($39.1)	($39.1)
10.	**FY2026 Updated Revenue**	**$5,929.1**	**$5,514.5**	**($414.6)**
11.	**Total FY 2026 Available Cash Plus Estimated Revenue (line 3 + 10)**	**$6,348.8**	**$5,872.6**	**($476.2)**
12.	S1218 - Transfer to ITD - Strategic Initiatives Fund	($275.0)	($275.0)	$0
13.	H455 - Transfer to DEQ - Water Infrastructure Grants	($10.0)	($10.0)	$0
14.	Total Cash Adjustments	($285.0)	($285.0)	$0
15.	***TOTAL ESTIMATED FY 2026 AVAILABLE RESOURCES (line 11 + 14)***	***$6,063.8***	***$5,587.6***	***($476.2)***
	APPROPRIATIONS			
16.	FY 2026 Original Approp	$5,623.9	$5,623.9	$0
17.	Authorized Carry Over (Reappropriation/ECF)		$43.5	$43.5
18.	**Total Legislative Authorizations**	**$5,623.9**	**$5,667.5**	**$43.5**
19.	***FY 2026 ESTIMATED ENDING BALANCE (line 16 - 19)***	***$439.8***	***($79.9)***	***($519.7)***

**Note: amounts may not add due to rounding.*

State of Idaho General Fund Revenue Collections

FY 2026 Monthly Revenue Monitoring

Historical Collections

	Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
1	FY 22 Actual Collections	$404.0	$378.6	$459.1	$415.1	$350.0	$560.5	$652.4	$306.1	$382.1	$1,290.3	$389.0	$610.3	$6,197.6
2	FY 23 Actual Collections	$416.1	$386.9	$532.3	$455.5	$360.7	$543.4	$624.8	$268.3	$342.3	$933.0	$355.7	$729.2	$5,948.0
3	FY 24 Actual Collections	$406.0	$392.9	$513.9	$374.8	$346.3	$562.1	$599.3	$281.1	$363.8	$857.6	$268.0	$745.3	$5,711.3
4	FY 25 Actual Collections	$387.7	$411.5	$576.6	$368.1	$390.3	$615.7	$531.7	$303.6	$333.9	$861.0	$340.4	$741.4	$5,861.9
5	Difference FY24 and FY25	($18.2)	$18.6	$62.8	($6.8)	$44.0	$53.6	($67.6)	$22.5	($30.0)	$3.4	$72.3	($3.9)	$151

Forecast vs. Last Year

6	FY26 DFM Forecast	$394.2	$415.4	$569.4	$410.0	$383.4	$592.5	$586.0	$317.8	$315.4	$658.0	$370.5	$541.1	$5,553.6
7	FY26 DFM Forecast - Actual FY25	$6.5	$3.9	($7.3)	$42.0	($6.9)	($23.2)	$54.3	$14.2	($18.4)	($203.0)	$30.1	($200.3)	($308.3)
8	% Difference Between FY25 Actual and Forecast	1.7%	0.9%	(1.3%)	11.4%	(1.8%)	(3.8%)	10.2%	4.7%	(5.5%)	(23.6%)	8.8%	(27.0%)	(5.3%)
9	*Cumulative Difference*	*$6.5*	*$10.4*	*$3.1*	*$45.1*	*$38.2*	*$14.9*	*$69.2*	*$83.4*	*$65.0*	*($138.0)*	*($108.0)*	*($308.3)*	
10	*Cumulative % Change FY25*	*1.7%*	*1.3%*	*0.2%*	*2.6%*	*1.8%*	*0.5%*	*2.1%*	*2.3%*	*1.7%*	*(2.9%)*	*(2.1%)*	*(5.3%)*	

FY26 Collections

11	FY26 Actual Collections	$355.1												$355.1
12	*FY26 Cumulative*	*$355.1*												

Actual vs Last Year

13	Monthly Difference	($32.7)												($32.67)
14	% Change from FY25	(8.4%)												(0.6%)
15	*Cumulative Difference*	*($32.7)*												
16	*Cumulative % Change FY25*	*(8.4%)*												

Actual vs DFM Forecast

17	Monthly Difference	($39.1)												($39.1)
18	% Change from DFM	(9.9%)												(0.7%)
19	*Cumulative Difference*	*($39.1)*												
20	*Cumulative % Change DFM*	*(9.9%)*												

July Collections By Tax Category

		Individual Income	Corp. Income	Sales Tax	Product Taxes	Misc. Revenue	Total
21	Collections	$171.3	$14.5	$158.4	$5.2	$5.6	$355.1
22	Difference from Last July	($8.9)	($9.0)	$3.4	($7.2)	($11.0)	($32.7)
23	% Change from Last July	(4.9%)	(38.3%)	2.2%	(58.1%)	(66.3%)	(8.4%)
24	*Cumulative Difference from Last Year*	*($8.9)*	*($9.0)*	*$3.4*	*($7.2)*	*($11.0)*	($32.7)
25	Difference From DFM Forecast for July	($9.6)	($14.7)	($1.7)	$0.5	($13.7)	($39.1)
26	*Cumulative Difference from DFM Forecast*	*($9.6)*	*($14.7)*	*($1.7)*	*$1*	*($13.7)*	*($39.1)*

Totals may not add due to rounding.

Cumulative collections are 8.4% below July last year and 0.7% below total forecasted levels. Sales tax exceeds forecasted expectations by 3.4%. Both individual and corporate income tax are lower than expected.