

The need for an Idaho strategic growth fund

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Introduction

Idaho stands at a pivotal moment in its economic development trajectory. With rapidly growing populations, especially in urban and suburban regions, the state faces both the opportunity and the challenge of attracting sustainable, high-wage jobs that match its evolving labor force and infrastructure capacity. To meet this moment, this proposal introduces the Idaho Strategic Growth Fund (ISGF) — a performance-based incentive program designed to attract and retain high-impact businesses across the state.

Modeled after successful initiatives like the Texas Enterprise Fund, the ISGF would provide discretionary, contract-bound financial incentives to businesses that commit to creating significant job opportunities, making meaningful capital investments, and aligning with Idaho's long-term economic goals¹. Incentives would be distributed only upon meeting clearly defined performance benchmarks, with built-in clawback provisions to protect taxpayer dollars.

Through extensive research into economic development programs in Texas, Utah, North Carolina, and Georgia, this study identifies common factors that drive success in such funds: transparency, competitive review processes, robust ROI measurement, and clear alignment with state economic priorities. States that implemented similar programs saw returns ranging from \$6 to \$23 for every public dollar invested, primarily through job creation, increased tax revenue, and secondary economic growth¹.

The proposed fund will be housed within the Idaho Department of Commerce, advised by a multi-stakeholder board to ensure regional equity and strategic oversight. It will prioritize sectors such as advanced manufacturing, clean energy, technology, agricultural innovation, and rural development, with special incentives for investments in economically distressed or underserved counties.



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This report outlines the proposed fund’s structure, application criteria, funding mechanisms, implementation phases, and legislative path forward. It also includes a fiscal analysis, case studies, and an accountability framework to support sound governance and measurable results.

With bipartisan support and careful administration, the Idaho Strategic Growth Fund has the potential to become a cornerstone of the state’s long-term prosperity, attracting forward-thinking employers, improving wage growth, and ensuring Idahoans can thrive in a dynamic and competitive national economy.

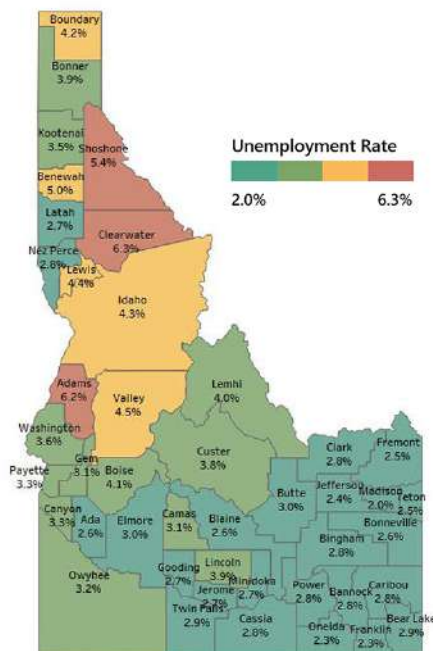
Background on Idaho’s Growth Trends

Idaho is one of the fastest-growing states in the nation. With its population surging by 23.4 percent in the past decade and an increasingly diversified labor force, the state is at a critical inflection point in its economic development trajectory.¹

While this growth brings new opportunities, it also places pressure on infrastructure, housing, education systems, and — importantly — the state’s capacity to attract and retain quality employers that offer high-wage, future-ready jobs.

Idaho is one of the fastest-growing states in the nation. With its population surging by 23.4% in the past decade and an increasingly diversified labor force, the state is at a critical inflection point in its economic development trajectory.

Idaho Unemployment Rate by County
June 2022



¹ U.S. Census Bureau. (2023). Annual Population Estimates. Retrieved from <https://www.census.gov>

KEY INFORMATION COLUMN

Idaho lacks a formal, performance-based incentive fund to strategically compete for major business investments.

Figure A: County-level unemployment rates in Idaho as of mid-2022, illustrating ongoing disparities in job opportunities between urban and rural areas (Source: Idaho Department of Labor).

Despite broad population growth, economic opportunity has not been evenly distributed. As the heatmap shows, rural counties across Idaho continue to face higher unemployment and slower job recovery than urban centers. This imbalance reinforces the need for geographically targeted economic development strategies that ensure rural communities benefit equitably from statewide growth.

Problem Statement

Despite its strong business climate and national recognition for low taxes and regulatory simplicity, Idaho lacks a formal, performance-based incentive fund to strategically compete for major business investments. As a result, the state is increasingly outpaced by peer states like Texas, Utah, Georgia, and North Carolina — all of which have successfully deployed targeted incentive programs to attract high-value employers and generate strong returns on public investment.

Purpose of the Study

This proposal introduces the **Idaho Strategic Growth Fund (ISGF)**: a fiscally responsible, data-informed initiative designed to position Idaho as a more competitive and selective player in the national economic development arena. The fund would offer discretionary financial incentives to businesses that demonstrate a measurable and lasting economic impact, such as job creation, capital investment, and community engagement, while maintaining rigorous performance standards and taxpayer protections.

This report outlines the policy rationale for the ISGF, examines successful models from other states, and proposes a scalable implementation framework tailored to Idaho's unique economic, demographic, and geographic landscape. It seeks to evaluate how Idaho can proactively shape its economic future by offering strategic, accountable incentives that do not compromise fiscal responsibility or long-term sustainability.

By equipping state leaders with a modern, flexible incentive tool, the Idaho Strategic Growth Fund can help ensure that the state's economic growth is not just fast — but also smart, inclusive, and resilient.

Policy Context and Precedents

This section provides the broader policy backdrop for the Idaho Strategic Growth Fund. It introduces precedent-setting models from other states,

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The Texas Enterprise Fund (TEF), created in 2003, was a response to Texas losing out on high-profile corporate relocation and expansion opportunities due to a lack of flexible, discretionary incentives.

contextualizes the national shift toward performance-based incentives, and explains why now is the right time for Idaho to adopt a competitive framework to manage growth and attract high-impact employers.

Overview of the Texas Enterprise Fund (TEF)

The Texas Enterprise Fund (TEF), created in 2003, was a response to Texas losing out on high-profile corporate relocation and expansion opportunities due to a lack of flexible, discretionary incentives. TEF was designed as a performance-based "deal-closing fund"—money that could be offered to companies considering Texas alongside other states, to tip the scale in Texas's favor.

Key Features of TEF:

- **Performance-Based Awards:** TEF funds are only disbursed after companies meet predefined job creation, wage, and capital investment milestones.
- **Clawback Provisions:** Contracts require companies to return funds if they fail to meet performance benchmarks.
- **High Return on Investment:** Texas has seen between \$6 to \$20 in economic return for every \$1 invested.
- **Targeted Investment:** The fund prioritizes industries like advanced manufacturing, tech, life sciences, and energy.

To date, the TEF has helped secure over 100,000 jobs and billions in private capital investment. Its flexibility and accountability have made it a national model for competitive economic development.

National Trends in Economic Incentives

States across the U.S. are increasingly relying on dynamic, performance-based incentives that offer flexibility, measurable outcomes, and strategic alignment with long-term economic goals.

Key Trends:

- **Discretionary Incentives:** Most states now operate discretionary funds to respond rapidly to competitive site selection processes.
- **Workforce Integration:** Incentives often include commitments to workforce training, sometimes in partnership with local community colleges.
- **Data-Driven Oversight:** Transparency and ROI tracking are now standard in well-designed programs, including public dashboards and annual reporting.

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While Idaho already offers valuable tools, it lacks a dedicated competitive fund that can move quickly and offer upfront performance-based incentives.

- **Targeted Geography:** Programs are being designed with rural communities, opportunity zones, and underinvested regions in mind.

States like Indiana, Florida, Georgia, and Colorado have adopted measures to improve the speed, accountability, and strategic alignment of their incentive programs, positioning them well in an increasingly competitive national landscape.

Lessons Learned from Other States

Georgia: Georgia's Quick Start workforce training program and its Governor's Deal-Closing Fund have helped secure major employers like Hyundai and Rivian. Georgia excels in administrative speed and site-readiness, both of which make the state more attractive to high-growth firms⁴.

Utah: Utah's EDTIF (Economic Development Tax Increment Financing) program offers post-performance tax credits based on new state revenue⁵. While fiscally conservative and ROI-oriented, it does not offer upfront cash, making it less competitive in fast-moving site selection scenarios.

Tennessee: Tennessee uses its FastTrack Infrastructure and Job Training Assistance program to incentivize capital investment and employment. The program is known for its flexibility and integration with statewide economic strategies.

Colorado: Colorado's Strategic Fund and Rural Jump-Start program offer a mix of discretionary incentives and rural development tools⁶. It integrates well with university systems and small business ecosystems.

Idaho's Takeaway: While Idaho already offers valuable tools, it lacks a dedicated competitive fund that can move quickly and offer upfront performance-based incentives. The Idaho Strategic Growth Fund is designed to close that gap, taking inspiration from the best elements of these national models while maintaining Idaho's fiscal discipline and growth objectives.

Proposal Overview

This section outlines the core components of the Idaho Strategic Growth Fund (ISGF), including its purpose, structure, eligibility criteria, and the performance safeguards that ensure public funds are used effectively. Drawing inspiration from successful models like Texas' Enterprise Fund and others across the

⁴ Georgia Department of Economic Development. (2023). Project Highlights and Job Creation Metrics. Retrieved from <https://www.georgia.org>

⁵ Utah Governor's Office of Economic Opportunity. (2023). EDTIF Program Overview. Retrieved from <https://business.utah.gov>

⁶ Colorado Office of Economic Development and International Trade. (2023). Strategic Fund Guidelines. Retrieved from <https://oedit.colorado.gov>

KEY INFORMATION COLUMN

The Idaho Strategic Growth Fund is a proposed performance-based economic incentive program designed to attract high-impact companies to Idaho.

nation, the ISGF is tailored specifically to Idaho's demographic, economic, and political context.

Existing Idaho Incentive Programs & How ISGF Fills the Gaps

Current Incentives in Idaho:

- **Tax Reimbursement Incentive (TRI):** Offers post-performance tax credits for businesses that create jobs above the county average wage.
- **Workforce Development Training Fund:** Helps businesses offset the cost of training new or existing workers.
- **Opportunity Zones and Tax Increment Financing (TIF):** Provide local-level tax and infrastructure support in designated areas.

Limitations:

- Existing programs are often reactive, not competitive.
- They typically reimburse after-the-fact and lack the upfront flexibility to win competitive site selections.
- Programs are slow-moving, lack rural-specific targeting, and don't provide discretionary "deal-closing" support.

How ISGF is Different:

- Offers **upfront discretionary funds** to close competitive deals.
- Ties incentives directly to **job creation, capital investment, and wage metrics** with strict performance enforcement.
- Prioritizes **rural Idaho** and **strategic industries**, expanding the geographic and sectoral reach.
- Incorporates **clawbacks and auditing** not just for accountability, but to protect taxpayers and reinvest recovered funds.

Description of the Idaho Strategic Growth Fund

The Idaho Strategic Growth Fund is a proposed performance-based economic incentive program designed to attract high-impact companies to Idaho. It will provide flexible, discretionary financial support to businesses that commit to creating quality jobs, investing in infrastructure, and fostering long-term economic development in the state.

The fund is not intended to subsidize businesses that would come to Idaho anyway. Instead, it is a targeted tool to help Idaho compete with other states for transformational economic projects, particularly in emerging industries and rural communities.

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The ISGF will function as a discretionary fund administered by the Idaho Department of Commerce in partnership with an independent oversight board. Grants will be awarded based on a competitive application process and thorough due diligence.

Guiding Principles

- **Competitiveness:** Position Idaho as a top contender in national and regional site selection decisions.
- **Accountability:** Require measurable outcomes and provide transparency in all funding decisions.
- **Strategic Alignment:** Prioritize investments that align with Idaho's long-term economic development goals.
- **Rural Inclusion:** Ensure rural regions and underserved communities benefit from fund deployment.
- **Return on Investment:** Maximize public value through rigorous cost-benefit analysis and performance-based disbursement.

Target Industries and Goals

The ISGF will prioritize sectors that offer high-wage job creation, future-proof economic value, and scalable investment. These include:

- Advanced Manufacturing
- Technology and Software Development
- Agri-Tech and Food Processing
- Renewable Energy
- Aerospace and Defense
- Health Innovation and Life Sciences

Program goals include:

- Attracting at least \$500 million in private investment over the first five years
- Creating 5,000+ net new jobs with wages exceeding the county median
- Increasing investment in rural and underdeveloped areas

Program Structure

The ISGF will function as a discretionary fund administered by the Idaho Department of Commerce in partnership with an independent oversight board. Grants will be awarded based on a competitive application process and thorough due diligence.

Funds will only be disbursed upon verified achievement of performance milestones. Contracts will include detailed metrics, timelines, and clawback provisions to recoup funds in the event of underperformance.

Application and Eligibility

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The ISGF will use a milestone-based reimbursement model. Companies will receive funding only after achieving specific job, wage, and investment benchmarks outlined in their incentive agreement.

Eligible applicants must:

- Demonstrate that Idaho is in competition with at least one other state for the project
- Commit to job creation thresholds (minimum 50 new full-time positions)
- Offer wages above the county median
- Show capital investment of at least \$2 million in new facilities or infrastructure
- Pass a cost-benefit analysis conducted by the state

Priority will be given to projects locating in rural areas, economically distressed counties, or opportunity zones.

Disbursement Mechanism

The ISGF will use a milestone-based reimbursement model. Companies will receive funding only after achieving specific job, wage, and investment benchmarks outlined in their incentive agreement.

Each agreement will be customized to the project and include monitoring, auditing, and clawback enforcement clauses. Disbursement schedules will be tied to verified reports and third-party evaluations when necessary.

Performance Benchmarks and Clawbacks

Every grant agreement will establish clear, enforceable benchmarks including:

- Number of jobs created
- Average wages paid
- Total capital investment
- Timeline of project completion

Failure to meet these benchmarks will trigger proportional clawbacks of funds or full repayment. An annual audit and reporting requirement will ensure transparency and help the public track outcomes.

Implementation Plan

Launching the Idaho Strategic Growth Fund (ISGF) requires a phased approach to ensure policy alignment, legislative success, administrative readiness, and early impact. The following four-phase strategy provides a roadmap for moving the ISGF from concept to full implementation within one legislative cycle.

Phase 1: Stakeholder Outreach and Support

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Before formal legislation is introduced, the groundwork must be laid through proactive stakeholder engagement. The primary goal of this phase is to build broad-based support and ensure the proposal is aligned with the needs and priorities of Idaho's economic ecosystem.

Engagement should include:

- Briefings with the Idaho Department of Commerce, Governor's Office, and regional economic development organizations (e.g., BVEP, REDI, SIEDO).
- Outreach to industry associations such as the Idaho Technology Council and Idaho Chamber Alliance.
- Roundtables with rural leaders, business owners, and higher education partners.
- Distribution of a concise one-pager and FAQ to aid in communicating the program's goals and mechanics.
- Identification of bill sponsors in both the House and Senate.

This phase builds political credibility, surfaces local priorities, and positions the fund for bipartisan legislative interest.

Phase 2: Legislative Drafting and Sponsorship

With stakeholder alignment in place, the next step is to translate the policy framework into a legislative proposal. This requires close coordination with the Legislative Services Office (LSO) and early legislative sponsors.

Key actions in this phase include:

- Drafting bill language that includes definitions, eligibility requirements, award processes, oversight mechanisms, and recovery provisions.
- Preparing a formal Statement of Purpose and Fiscal Note in accordance with Joint Rule 18.
- Collaborating with the Division of Financial Management (DFM) to validate cost estimates.
- Engaging committee chairs early to ensure smooth referral and scheduling of hearings.

The goal is to have a fully vetted, fiscally sound bill ready for introduction within the first two weeks of the legislative session.

Phase 3: Budget Appropriation and Administrative Setup

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By advancing the ISGF through a phased and accountable implementation process, Idaho can launch a high-impact incentive tool without compromising fiscal responsibility or transparency.

Once the legislation passes, attention must shift to funding and administrative readiness. The Fund should be capitalized through an initial appropriation of \$25–35 million, with approximately 5–8% allocated for program administration.

Administrative responsibilities will include:

- Establishing the Idaho Economic Competitiveness Oversight Board (IECOB), with representation from state agencies, industry, rural stakeholders, and education partners.
- Hiring or designating program staff within the Department of Commerce for intake, evaluation, compliance, and reporting.
- Creating and publishing application materials, scoring rubrics, and a disbursement framework.
- Developing a public-facing reporting dashboard and internal performance monitoring systems.

This phase ensures the Fund is legally grounded, fiscally resourced, and operationally ready before public launch.

Phase 4: Pilot Program and Rollout

To validate the structure and demonstrate early success, the ISGF should begin with a competitive pilot round. A limited tranche of funding should be awarded to a select number of high-impact projects.

Pilot-phase priorities should include:

- Targeting rural communities and high-growth sectors such as advanced manufacturing, clean energy, and agri-tech.
- Using performance-based disbursements tied to verified job creation and capital investment.
- Tracking early ROI metrics and capturing applicant and stakeholder feedback.
- Publishing a Year-One Report to the Legislature, detailing outcomes and opportunities for refinement.

This measured rollout will allow for policy fine-tuning, increase public confidence, and position the program for broader scale.

By advancing the ISGF through a phased and accountable implementation process, Idaho can launch a high-impact incentive tool without compromising fiscal responsibility or transparency. This roadmap ensures that each step—from stakeholder engagement to legislative enactment to measurable outcomes—is deliberate, responsive, and aligned with the state’s long-term economic vision.

Stakeholders and Governance

Proposed Oversight Entity

The Idaho Strategic Growth Fund will be governed by an independent **Idaho Economic Competitiveness Oversight Board (IECOB)**. This board will oversee fund management, evaluate project applications, and ensure compliance with performance metrics.

IECOB will be appointed by the Governor with Senate confirmation and will include representatives from economic development, business, labor, and rural communities.

Advisory Board Composition

A non-voting **Advisory Board** will provide subject-matter expertise and strategic guidance. This board will consist of:

- Industry specialists from target sectors (e.g., tech, manufacturing, agri-tech)
- Regional economic development professionals
- University and workforce training representatives
- Local government leaders

Their role is to ensure the program remains responsive to Idaho's evolving needs and aligned with long-term goals.

Roles of State Agencies and Partners

- **Idaho Department of Commerce:** Primary administrator of the fund, managing applications, disbursement, and compliance.
- **Office of the Governor:** Strategic alignment and appointments to the oversight board.
- **Idaho Department of Labor:** Collaborate on workforce planning and monitor job creation outcomes.
- **Legislative Services Office (LSO):** Support financial auditing, reporting, and legislative review.
- **Third-Party Auditors and Evaluators:** Conduct independent performance verification and ROI analysis.
- **Local Economic Development Organizations (EDOs):** Provide front-line support in outreach, application assistance, and post-award monitoring.

These partners will work collaboratively to implement the ISGF with transparency, accountability, and strategic foresight.

Fiscal and Economic Impact

Understanding the fiscal and economic implications of the Idaho Strategic Growth Fund (ISGF) is essential for evaluating its viability and long-term value to the state. This section outlines the projected costs, identifies potential sources of funding, analyzes expected economic returns, and details mechanisms for mitigating fiscal and performance-related risks.

Estimated Costs and Sources of Funding

The proposed ISGF will require an initial appropriation from the Idaho State Legislature. Based on comparable state incentive programs and Idaho's economic profile, the following estimates are recommended:

- **Initial Fund Capitalization:**
 - **\$25–35 million** over the first two fiscal years, structured in tranches to align with project readiness and demand.
- **Administrative Budget:**
 - Approximately **5–8%** of the total fund allocation earmarked for program administration, compliance monitoring, and third-party evaluations.
- **Funding Sources:**
 - **General Fund Appropriation:** Primary source for initial capitalization.
 - **Federal Grants or ARPA Reallocations:** Where applicable, certain funds may qualify for use under federal economic development guidelines.
 - **Private Sector Contributions:** Optional partnerships with industry or local governments could be explored to co-finance regionally significant projects.

The fund is designed to be replenishable through structured recovery provisions, expired obligations, and potentially a revolving model informed by project repayments.

Economic Return on Investment Projections

The ISGF is structured to produce measurable economic returns by targeting high-impact projects with enforceable performance agreements. Based on conservative modeling, projected benefits include:

- **Direct Job Creation:**
 - An estimated **2,000–3,000 new jobs** over the first five years, concentrated in advanced manufacturing, logistics, clean energy, and rural development zones.

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- **Capital Investment Leverage:**
 - For every \$1 in public investment, a targeted **\$10–15 in private capital** is expected, consistent with outcomes in peer states (e.g., Texas, Indiana).
- **Tax Revenue Growth:**
 - Projected **\$2.50–\$3.00** return per \$1 invested through increased corporate, property, and individual income taxes.
- **Geographic Diversification:**
 - Targeting underserved or rural areas enhances statewide economic resilience and reduces population pressure on already-dense metro corridors.

These projections are benchmarked against the Texas Enterprise Fund, North Carolina’s JDIC, Utah’s REDI Grant program, and Arizona’s Competes Fund—all of which demonstrate sustained ROI when projects are tied to transparent, enforceable metrics⁷.

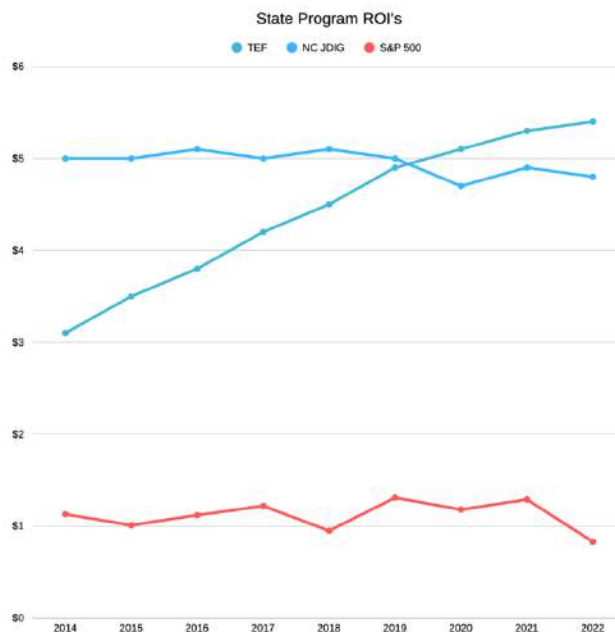


Figure B: Comparison of cumulative return on investment (ROI) for the Texas Enterprise Fund (TEF), North Carolina Job Development Investment Grant (NC JDIG), and the S&P 500 index from 2014 to 2022. The data demonstrates that targeted state incentive funds significantly outperform broad market averages, highlighting the ISGF’s potential to deliver strong taxpayer returns (Sources: State Economic Reports, S&P Dow Jones Indices 2023).

⁷ State of Texas. Office of the Governor. (2023). Texas Enterprise Fund Reports. Retrieved from <https://gov.texas.gov/business/page/tef>; North Carolina Department of Commerce. (2023). Job Development Investment Grant (JDIG) Annual Report. Retrieved from <https://www.nccommerce.com>; Utah Governor’s Office of Economic Opportunity. (2023). EDTIF Program Overview. Retrieved from <https://business.utah.gov>

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Unlike the stock market, which carries inherent risks and no guarantees, these funds incorporate clawback provisions and safety nets to protect public investment.

This graph compares the Return on Investment (ROI) from 2014 to 2022 for the Texas Enterprise Fund (TEF), North Carolina’s Job Development Investment Grant (JDIG), and the S&P 500 market index. Notably, even in the slower or initial years, both state incentive funds deliver returns far exceeding the average gains from the stock market—as represented by the S&P 500—or typical personal savings accounts. Since these incentive programs use taxpayer funds, it is crucial that they generate the highest possible returns, reflecting our responsibility as stewards of public money. Unlike the stock market, which carries inherent risks and no guarantees, these funds incorporate clawback provisions and safety nets to protect public investment. These built-in accountability measures ensure that if projects do not meet agreed-upon benchmarks, funds can be recovered—providing taxpayers with greater security and reinforcing the fund’s commitment to measurable, responsible economic growth.

Risk Management and Accountability Measures

To protect public funds and ensure outcomes, the ISGF integrates several key fiscal and performance safeguards:

- **Performance-Based Disbursement:**
 - Funds are disbursed in phases, tied directly to the achievement of contractual milestones (e.g., jobs created, investment completed).
- **Clawback Provisions:**
 - All awards are governed by legal agreements requiring partial or full repayment if performance obligations are not met within a specified timeframe.
- **Independent Oversight and Auditing:**
 - Annual audits and third-party program evaluations ensure financial integrity and policy alignment.
- **Advisory Board Review:**
 - A multi-stakeholder advisory board—comprising representatives from the public, private, and nonprofit sectors—will vet applications and monitor fund use.
- **Transparency Requirements:**
 - Public disclosure of awarded projects, performance metrics, and ROI calculations will be required through an annual report to the Legislature and publication on the Department of Commerce website.

Together, these mechanisms minimize fiscal exposure while maximizing accountability, ensuring that the ISGF generates real, measurable benefits for the state and its taxpayers.

Legislative Pathway

Establishing the Idaho Strategic Growth Fund (ISGF) will require thoughtful coordination with legislators, agencies, and stakeholders to ensure the bill is both passable and durable. This section presents the recommended structure of the enabling legislation, identifies the appropriate legislative committees, and outlines a strategic timeline for the bill's successful passage and implementation.

Recommended Bill Structure

To ensure the Idaho Strategic Growth Fund is legally sound, transparent, and operationally efficient, the enabling legislation should include the following components:

- **Title and Purpose**
 - Formally establish the ISGF as a performance-based economic development tool administered by the Idaho Department of Commerce.
- **Definitions Section**
 - Define key terms such as *qualifying project*, *performance agreement*, *economic return*, *clawback*, and *fund disbursement schedule*.
- **Creation of the Fund**
 - Statutorily authorize the fund and empower the Department of Commerce to allocate awards, monitor performance, and enforce compliance.
- **Eligibility and Application Process**
 - Outline who may apply (e.g., businesses making capital investments and creating jobs in Idaho) and what documentation is required.
- **Award and Disbursement Conditions**
 - Specify how funds are awarded and distributed, including milestone-based tranches tied to job creation, wage thresholds, and private investment.
- **Performance Agreements and Recovery Provisions**
 - Require legally binding contracts with businesses, including measurable outcomes and provisions for fund recovery if obligations are not met.
- **Reporting and Oversight Requirements**
 - Include mandatory annual reporting to the Legislature, transparency through public disclosure, and authorization for independent audits.
- **Optional Sunset Clause**

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- Include a review or reauthorization requirement after 5–7 years, based on demonstrated performance and legislative approval.

Committee Referral Strategy

To move the ISGF legislation efficiently through the legislative process, strategic committee referral and sponsor selection will be essential:

- **Primary Policy Committees**
 - *House and Senate Commerce & Human Resources Committees*
 - Most appropriate for handling legislation related to economic development, employment, and private-sector incentives.
- **Fiscal Oversight**
 - *Joint Finance-Appropriations Committee (JFAC)*
 - Required to review and approve the bill’s funding request and administrative budget.
- **Secondary Referral (if applicable)**
 - *House and Senate Revenue & Taxation Committees*
 - Should be consulted if the bill contains tax-related provisions or interfaces with existing incentive statutes.
- **Stakeholder Engagement (Pre-Referral)**
 - Sponsor briefings with committee chairs and vice chairs
 - Coordination with the Governor’s Office and Department of Commerce
 - Endorsement from regional economic development organizations, business councils, and workforce groups

Timeline for Enactment

Passing the ISGF within a single legislative session is feasible with proper preparation. The following timeline aligns with Idaho’s standard legislative calendar:

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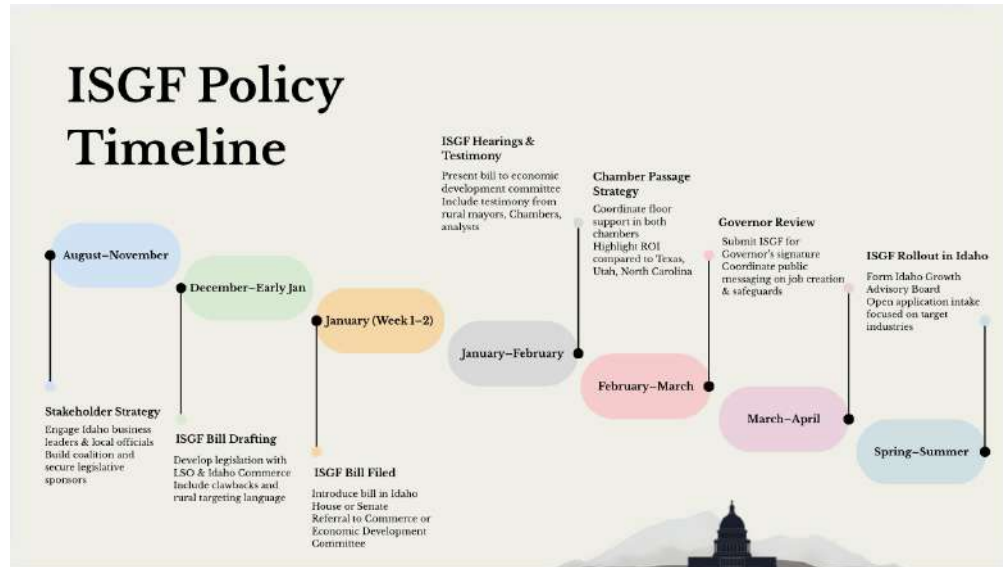


Figure C: ISGF Policy Timeline outlining the key legislative and implementation milestones from stakeholder engagement through fund rollout. This timeline reflects Idaho-specific steps to establish the Idaho Strategic Growth Fund with a focus on strategic coalition-building, legislative approval, and phased launch.

Idaho’s rapid growth presents both an urgent challenge and a strategic opportunity. Without a targeted, performance-based tool to attract and retain high-impact employers, the state risks falling behind peer states that are aggressively investing in business attraction.

The Idaho Strategic Growth Fund is a timely, bipartisan opportunity to equip the state with a flexible, accountable tool for economic competitiveness. With a clearly structured bill, a coordinated committee strategy, and a session-ready timeline, Idaho lawmakers can act decisively to support long-term growth while ensuring responsible stewardship of taxpayer dollars.

Conclusion and Recommendations

Idaho’s rapid growth presents both an urgent challenge and a strategic opportunity. Without a targeted, performance-based tool to attract and retain high-impact employers, the state risks falling behind peer states that are aggressively investing in business attraction. The Idaho Strategic Growth Fund (ISGF) offers a fiscally responsible and economically smart solution to this policy gap.

This proposal draws on proven models from states like Texas, Utah, and Georgia, where well-structured incentive funds have delivered measurable returns on investment, catalyzed job creation, and strengthened local economies. With a built-in performance framework, transparent oversight, and strong fiscal safeguards, the ISGF is designed to deliver results while minimizing risk to taxpayers.

To ensure the success of this initiative, the following recommendations are offered:

Policy Recommendations:

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1. **Enact enabling legislation** to create the Idaho Strategic Growth Fund within the Department of Commerce, with a clearly defined mission, governance structure, and reporting requirements.
2. **Fund the program with an initial appropriation** to support pilot-phase incentives, while allowing for future scaling through legislative reauthorization or private-sector partnerships.
3. **Establish a rigorous application and evaluation process** that includes clear eligibility criteria, economic impact analysis, and regional equity considerations.
4. **Implement clawback provisions** (contractual recovery terms) to ensure public funds are repaid if companies fail to meet their commitments.
5. **Convene a diverse advisory board** composed of public- and private-sector leaders to review applications, advise on strategy, and ensure accountability.
6. **Prioritize sectors and regions** that align with Idaho’s long-term development goals, including rural communities, advanced manufacturing, clean energy, and technology.


Next Steps:

- Secure legislative sponsorship and begin drafting bill language.
- Build a coalition of stakeholders, including chambers of commerce, local governments, and workforce development partners.
- Conduct an implementation and budget impact study in coordination with the Office of the Governor and Legislative Services.
- Prepare communication materials to brief key legislators and committee members during the next session.

With a clear vision, broad support, and disciplined execution, the Idaho Strategic Growth Fund has the potential to become a cornerstone of the state’s economic strategy—ensuring that growth brings not just more people, but better jobs, stronger communities, and lasting prosperity for generations of Idahoans.

Nothing in this publication shall be construed as an attempt to aid or hinder the passage of any legislation.





Appendix A: “At a Glance” Proposal Pamphlet



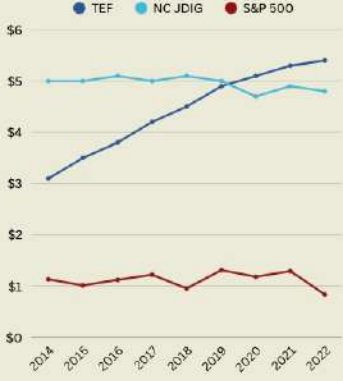
Idaho Strategic Growth Fund

A performance-based incentive program designed to bring high-wage jobs and private investment to Idaho while protecting taxpayer dollars.

Quick Stats

-  Projected \$3.00+ in **new tax revenue** for every \$1 invested in the ISGF
-  5,000+ net **new high-wage jobs** targeted in first five years
-  All funded projects must **pay above** the county median wage
-  Priority funding for **rural and economically distressed** counties

State Funds Outperform the Market



Year	TEF	NC JDIG	S&P 500
2014	\$3.1	\$5.0	\$1.2
2015	\$3.5	\$5.0	\$1.1
2016	\$3.8	\$5.1	\$1.2
2017	\$4.2	\$5.0	\$1.3
2018	\$4.5	\$5.1	\$1.0
2019	\$4.8	\$4.8	\$1.4
2020	\$5.0	\$4.7	\$1.2
2021	\$5.2	\$4.9	\$1.4
2022	\$5.4	\$4.8	\$0.9

Why Idaho Needs ISGF

Idaho is one of the nation's fastest-growing states — but without a modern, performance-driven incentive tool, we risk losing high-value employers to better-prepared competitors. The Idaho Strategic Growth Fund ensures we stay competitive by attracting quality jobs and investment while safeguarding taxpayer dollars through strict accountability and measurable returns.

“

Idaho's economy is strong, resilient, and growing rapidly — fueled by smart fiscal management, a strong labor market, and record-setting gains in personal income, jobs, and GDP

— Fitch report

Appendix B: Sample Incentive Agreement Template

INCENTIVE AGREEMENT

Idaho State Growth Fund (ISGF)

This Incentive Agreement ("Agreement") is made and entered into as of [Date], by and between the Idaho State Growth Fund and [Company/Employer Name] ("Recipient"), located at [Company Address].

Whereas, ISGF desires to encourage business growth, investment, and job creation within the State of Idaho, and the recipient seeks financial incentives to support its planned project in Idaho.

Now, therefore, in consideration of the mutual covenants and agreements herein, the parties agree as follows:

Incentive Award. ISGF agrees to provide the Recipient with a financial incentive in the amount of \$[Amount], contingent upon the Recipient meeting specified performance benchmarks set forth in this Agreement.

Project Description. The Recipient shall undertake a project located at [Project Location], involving an estimated investment of \$[Investment Amount] and the creation of [Number] new full-time jobs.

Performance Benchmarks and Payment. The Recipient agrees to achieve the following benchmarks by the deadlines specified below, subject to verification by ISGF:

Benchmark	Deadline	Payment Amount
Create [X] full-time jobs	[Date]	\$(Amount)
Invest \$[Investment] in capital	[Date]	\$(Amount)
Maintain operations for [Y] years	[Date]	Final payment

Payments will be disbursed only upon successful verification of benchmark achievement via payroll records, financial statements, and annual reports as appropriate.

Reporting Requirements. The Recipient shall submit quarterly reports documenting progress, including employment data and investment receipts, to ISGF.

Term and Termination. This Agreement shall be effective from [Start Date] through [End Date]. Failure to meet benchmarks may result in suspension, termination, or repayment of incentives.

Clawback Provision. Should the Recipient fail to maintain the agreed benchmarks during the term or voluntarily cease operations related to the project before [Y] years, the Recipient shall be required to repay to ISGF all or a prorated portion of the incentives received, as determined by ISGF.

Confidentiality. Both parties agree to keep all proprietary information obtained in connection with this Agreement confidential and shall not disclose such information to any third party except as required by law or with prior written consent.

Compliance. The Recipient shall comply with all applicable federal, state, and local laws. This Agreement shall be governed by the laws of the State of Idaho.

Miscellaneous. Any amendments to this Agreement shall be in writing and signed by both parties. Disputes arising hereunder shall be resolved through negotiation or, if necessary, through Idaho courts.

In witness whereof, the parties have executed this Agreement as of the date first written above.

Authorized Representative Idaho State Growth Fund (ISGF)		Authorized Representative [Company/Employer Name]
Name: Title: Date:		Name: Title: Date:

Population Growth Trends

- **Idaho was the 2nd-fastest-growing state in the U.S. between 2020–2023**, growing at an average annual rate of 2.5%⁸.
- **Population Increase:**
 - 2010: ~1.57 million
 - 2020: ~1.84 million
 - 2024 Estimate: ~1.98 million
- **Net Migration (2023):**
 - Approx. 75% of Idaho’s population growth came from net in-migration.
 - Top source states: California, Washington, Oregon, and Utah.

Source: U.S. Census Bureau; Idaho Department of Labor

Labor Force Expansion

- **Labor Force Participation Rate (2024):** ~62.9%
- **Idaho’s total labor force has increased by over 100,000 workers in the past decade**, largely driven by young families and working-age in-migrants.
- **Employment Sectors Seeing Growth:**
 - Advanced manufacturing
 - Logistics and warehousing
 - Construction
 - Health care and professional services

Source: Idaho Department of Labor, 2022

Educational Attainment and Workforce Readiness

- **High School Graduation Rate (2023):** 80.1%
- **Postsecondary Enrollment:** Over 120,000 Idahoans currently enrolled in public and private institutions
- **STEM Program Expansion:** Ongoing investment in technical and workforce training at community colleges (e.g., College of Western Idaho, College of Eastern Idaho)

Source: Idaho State Board of Education; NCES

Housing and Affordability Pressures

- **Median Home Price (Q1 2024):** \$428,000 statewide (up 35% since 2020)
- **Boise Metro Area Median Rent:** \$1,625/month (2024)
- **Affordability Impact:** New residents are putting pressure on housing stock and infrastructure, increasing the urgency of balanced economic development that provides high-wage employment in multiple regions.

⁸ U.S. Census Bureau. (2023). Annual Population Estimates. Retrieved from <https://www.census.gov>

Appendix D: Performance Metric Examples

Primary Metrics:

- Number of new full-time jobs created (with defined wage thresholds)
- Total capital investment made by recipient
- Geographic distribution of projects (rural vs. urban)
- Project completion timeline (phased progress milestones)
- Increase in local or state tax revenue attributable to project

Secondary Metrics:

- Workforce training or upskilling commitments
- Supplier or vendor spend within Idaho
- Community engagement or public infrastructure benefits

Evaluation Notes:

- Metrics will be validated via documentation and third-party review.
- Failure to meet benchmarks triggers clawback provisions (see Appendix A).
- Metrics will inform annual legislative reporting and future funding decisions



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ABOUT THE AUTHOR

Garrett G. Ahlstrom is an Economics major with a law emphasis at Utah State University and an ambassador for the Sawtooth Leadership Academy.

He currently serves as an intern with the university's Partners in Real Estate Fund (PREF) and is a member of USU's nationally recognized ProSales Team. Garrett previously interned in Africa through the SEED program, where he taught entrepreneurship to local business owners.



A native of Eagle, Idaho, Garrett has a deep interest in economic development and public policy. He also served a full-time mission for the Church of Jesus Christ of Latter-day Saints in New York. Recently married, he describes life with his wife Gracie as his very own paradise—in the words of Sam Clemens in *Paradise Lost*.

