

Otter sets good tone for his first session

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At his swearing-in Friday, Gov. Butch Otter promised an administration that would incorporate "frugality and common sense."

On Monday, during his State of the State address, Otter might not have sounded as frugal as some conservatives would have wanted. But his budget includes common-sense investments. Borrowing for highways: \$264 million. Pay raises for teachers and state employees: \$70 million. A college scholarship endowment: \$38 million. Nursing programs: \$37 million. Community colleges: \$5 million.

Otter challenged lawmakers to put some money where it's most needed. He set a good tone: conciliatory and collaborative. He hit more priorities than he missed in his first State of the State address.

Questions remain. At an economical 34 minutes — including tributes to fallen Idaho soldiers in Iraq, wounded state trooper Chris Glenn, and the Boise State University football team — Otter's speech offered only an overview of his agenda.

Our first impressions:

- **Grocery tax: Plus.** Otter wants to give a bigger credit to lower-income Idahoans hardest hit by last fall's sales tax increase. A family of four now gets an \$80 credit; under Otter's plan, a lower-income family of four would get \$360 — significant tax relief. And at \$22 million, the expanded credit is much more affordable than a whopping \$180 million grocery tax repeal.

- **Community colleges: Plus.** Otter wants to let new colleges collect local property taxes with 60 percent voter support. That's the least the state can do since, decades ago, voters in Kootenai and Jerome counties needed only a simple majority to approve a community college. The current two-thirds threshold is unfair and unrealistic.

Otter offered \$5 million a year for the next region that OK's a new college. That's not much, compared to the \$22 million of state dollars that go to Idaho's two community colleges, but it's a start.

- **State employee pay: Plus.** Last year's 3 percent employee pay raise took only an incremental step to address salaries frozen during lean times. Otter's budget proposes a 5 percent merit raise for state employees, including college and university employees, and an additional \$39.8 million for public school employees. These are good investments, if targeted at employees most likely to bolt.

Otter's pay raise plan received a good round of applause Monday — perhaps a sign that legislators realize the state cannot afford to lose its most talented workers to other private or public sector jobs.

- **Nursing: Plus and minus.** Otter signed on to former Gov. Jim Risch's \$37 million plan to build new nursing schools at Lewis-Clark State College and the College of Southern Idaho. But given the severe shortage of nurses, Otter passed up one easy step to address the problem, when he did not earmark the \$5 million Boise State University needs to finish a nursing school.

- **Detox: Plus.** Otter recommended \$865,000 in one-time money to help build a badly needed Treasure Valley detox center. Let's hope that's a first step; in future years, the state should meet its statutory role in drug treatment by sharing in operating costs.

- **Highways: Plus.** Otter used to be skeptical about borrowing money to build needed highways. On Monday, Otter recommended \$264 million in bonds, up from \$200 million a year ago. However, Otter doesn't want to identify the road projects — or have the Legislature take up the job either. Lawmakers may be happy to let the highway experts choose between improving white-knuckle stretches of U.S. 95 and the V alley's overcrowded Interstate 84.

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- Other initiatives: Question mark. Up to \$40 million to improve communications equipment for first responders? Or \$10.9 million for a Magic Valley dairy and animal research center? Or \$6 million to fight noxious weeds and \$4 million to battle Eurasian water milfoil? It's fair to say that none of these initiatives are high on the general public's radar. We want to hear more details than Otter could be expected to provide in one speech.
- Local-option taxes and public transportation: Minus. This is a glaring omission. Otter sidestepped the issue of voter-approved local-option taxes that could pay for needed capital projects such as transit. During the 2006 campaign, Otter said he supports local-option taxes; on Monday, he missed a chance to push a resistant Legislature on the issue.
- Air quality: Another minus. A related omission. Otter should have called statewide attention to the Treasure Valley's air quality problem — and its potential impact on local economic growth and statewide tax collections. He didn't.
- Statehouse "wings:" An odd omission. On the campaign trail, Otter came out against a plan to add \$40 million worth of underground wings at the Statehouse, a plan endorsed by the 2006 Legislature. In his speech, Otter avoided the issue like it was a plate of too-hot buffalo wings — but his budget proposal recommends putting the wings on hold.

Stay tuned on this issue, because it may be the first big test between the Legislature and the new governor.

Otter reached out to lawmakers Monday, and that makes sense. He'll need them if he wants his blend of frugality and common sense to become reality.