

Fear not, budget-writers; Gov. Otter knows best

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When professional economists analyze how well Idaho will do in the next 18 months, they consider a host of factors.

Will interest rates spur investment?

Will more people have jobs?

How much will they get paid?

What will Idaho's commodities and manufactured goods command on the open market?

How will the timber and mining sectors perform?

Will the nation as a whole prosper?

And what do some of the country's leading analysts predict?

That information is spun into a statistical formula, then massaged into a formal projection of how much tax revenue Idaho can expect to have on hand for its programs. It's not flawless. Coming within 1 or 2 percentage points is remarkable, but even that can produce shortfalls or surpluses.

No matter.

Gov. C. L. (Butch) Otter knows better.

He relies on his instincts and his ideology.

So when former Chief Economist Mike Ferguson told Otter more than a year ago that Idaho's recession-battered economy would generate \$2.43 billion in the 12 months that ended June 30, the governor demurred. He supported lowering that estimate to \$2.29 billion.

The numbers came in at \$2.44 billion - and handed Otter an \$85 million windfall.

And when Ferguson's successor, Chief Economist Derek Santos, said the current budget could rely on revenues growing by 6.9 percent, Otter chose to go with 3 percent. With the August forecast update, Santos now says the state will have \$179 million more than expected by next June 30.

The low-balled revenue estimates meant lawmakers slashed budgets for health care, public schools and higher education millions more than people wanted or was even essential.

But now Otter wants to continue playing this game.

Using the red herring of potential holdbacks if future revenues fall short, Otter told the Boise Metro Chamber of Commerce he will go on rejecting his professional economist's advice and decide for himself what bounty the state's economy will provide.

"I find it better ... to underestimate a little bit in order to make sure when we tell an agency or when we tell a program that they have the money, that they can count on that money and they can plan around that money," Otter said.

The first time or two Otter engaged in this practice, he had some facts on the ground to buttress his case. State tax revenues had fallen perilously short of projections for a couple of years and if it happened again, government would not have reserves to draw upon. Otter proved misguided but well-meaning.

However, to disregard not only professionals but also the evidence around him is to engage in a falsehood.

It is a lie to say Idaho's economy has not bottomed out and is poised for slow but steady improvement.

It is a deception to tell Idaho's vulnerable citizens, school children and college students that they must continue to struggle more than necessary.

And it is a betrayal to create an artificial windfall of cash that Otter and the GOP proponents of "the proper role of government" and "starving the beast of government" can steer toward tax cuts for their wealthy friends and big business allies.

If that is not so, let Otter display his regression analysis equation.

Have the governor back up his own depressed revenue estimates by citing his sources at the Federal Reserve Bank of Philadelphia.

Permit the governor time to consult his experts at the Wharton School of Economics.

Or at the very minimum, have Otter empanel a group of Idaho business leaders and economists to justify his expectations.

Show us anything to dispute the image of Idaho's millionaire chief executive whimsically drafting budgets we mere mortals depend upon.

Dissuade us of the impression that he will further politicize the allocation of resources to the common good.

Assure us that Otter has not simply shredded one of the last checks and balances that holds his party's political dynasty in this state

accountable. - M.T.