

Idaho's grim tax shift picture gets grimmer

Marty Trillhaase/Lewiston Tribune

Eight years ago, Idaho's Republican leadership made you a promise.

They would reduce your property taxes while taking care of your schools.

Too bad it didn't work out that way.

During his brief stint as Idaho's interim governor in 2006, U.S. Sen. Jim Risch ramrodded to passage a tax shift - repealing the property tax that then provided schools with \$260 million and replacing it with a penny increase in the sales tax that generated only \$210 million.

Then his successor, Gov. C.L. (Butch) Otter, cut school budgets even more to free up cash for tax cuts.

The result, Idaho Education News' Kevin Richert reports, has been \$1 billion worth of supplemental property taxes school patrons have implemented to backfill some - but far from all - of the schools' losses during the past eight years.

Richert notes:

- For the 15 years leading up to Risch's tax shift, the state averaged \$57.9 million annually in supplemental property taxes. In the years since, the yearly average has crept up to \$136.6 million.
- On the eve of Risch's maneuver, 59 of Idaho's 115 school districts resorted to supplemental property taxes. That's now up to at least 91 districts - accounting for 92 percent of the state's 269,598 public school students.
- Eight years ago, Idahoans raised \$79.1 million in supplemental school levies. Last year, the total rose to \$188.1 million.

Even Sherri Ybarra, the GOP candidate for state superintendent of public instruction, concedes Risch's tax shift "destabilized education funding in Idaho; however, this balance between those forms of taxation is completely up to the Legislature."

You can put your faith in Otter's pledge to turn this around by raising public school spending by \$350 million.

But the governor has failed to produce a fiscal blueprint showing where he will find the money, especially if he continues to cut corporate taxes.

His last school budget was so chintzy that even the GOP-led Legislature found it inadequate.

So a day of reckoning is ahead. Local schools are still burning through their reserve accounts. When those dollars run out, schools will choose between more cuts or more local taxes. At the current rate, Idahoans will be paying more than \$300 million in supplemental taxes by 2018.

But the bulk of those new dollars will go toward Idaho's wealthier schools. Unlike the levy Risch abolished, these new supplemental taxes are not equalized.

Districts with abundant property tax wealth find it easier to get by. For instance, the patrons of Kootenai Joint District have the equivalent of \$2.8 million of property tax wealth behind each student. Eastern Idaho's Snake River School District has just \$172,403 of property tax wealth behind each of its students.

All of which means the patrons of Snake River must pay 16 times as much to keep up.

At some point, patrons in the poor districts will stop trying and prepare for cuts.

Others, such as Lapwai, already find it impossible to pass levies and already struggle to survive on the meager state appropriation.

Grim picture, isn't it?

If Otter's past two terms are a prologue to his third, that's what you can expect. - M.T.