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**Idaho State Senate**  
**SENATOR ROBERT L. GEDDES**  
PRESIDENT PRO TEMPORE

December 7, 2009

Honorable C.L. "Butch" Otter, Governor  
State Capital Building 2<sup>nd</sup> Floor  
Boise, Idaho 83720

Dear Governor Otter:

We are writing today as a follow-up to the economic review and budget concerns that Idaho is currently facing. At our last meeting held on November 17, the need to impose an additional across-the-board holdback was discussed.

We appreciate your efforts to keep our budget balanced and without doubt we share your concerns as we continue to see revenues come in at lower than forecasted levels. It is our opinion, more needs to be done now and it is critical that this action occur before we enter into the next legislative session. We have all learned that it is much better to "keep-up" than it is to "catch-up."

An across the board holdback is the most fair approach and we agree an additional holdback should be imposed. We, of course will be happy to meet with you to finalize the exact level. In order to protect those school districts that do not have adequate reserves to sustain a holdback during this current contract cycle, we offer this idea: an advance equaling the district's holdback from the Public Education Stabilization Fund could be extended with clear understanding that the borrowed amount will be paid back in full to PESF, by reducing a borrowing district's 2011 allocation. Everyone understands the need to protect and keep public education whole and healthy to the greatest extent possible and especially during the contract cycle when flexibility is very limited.

We generally agree with, and commend you for your efforts in late September as you imposed a 4-percent holdback and recommended a reserve fund transfers to address the more than \$99 million of the anticipated \$151 million shortfall. However, there still remains an estimated \$36 to \$51 million deficit. We also complement you for making it very clear that the September holdback could prove to be less than adequate and you appropriately placed all entities of government and public schools on alert, that additional measures may be required. Sadly, those additional measures are required.

We deeply appreciate your leadership and commitment to our State.

Sincerely,

Handwritten signature of Robert L. Geddes in black ink.

Robert L. Geddes  
President Pro Tempore of Senate

Handwritten signature of Lawrence Denney in black ink.

Lawrence Denney  
Speaker of the House of Representatives