

Final score: Andrus, \$85 million; Otter, zilch

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It's been 16 years since Cecil Andrus left the governor's office. Sixteen years since Andrus kept a constant watch on the state economy and the tax-generating machinery.

For the last five years, Gov. C. L. (Butch) Otter has been working full time studying revenues, considering budgets and watching the economy.

Yet Andrus remains better at it. As evidence, he just collected \$100 of Otter's money.

Andrus bet Otter that the governor and the GOP Legislature essentially low-balled projected tax collections more than a year ago - thereby needlessly cutting schools and government programs.

Andrus bet on former Chief Economist Mike Ferguson's projection that the state would clear \$2.43 billion.

Otter stuck with his view that Ferguson's number was \$143.4 million too high. Otter bet he and the GOP legislative majority knew more than the economist.

Turns out Ferguson was right on the money.

On June 30, the state budget closed at \$2.44 billion - or about \$11.5 million more than Ferguson anticipated. Suddenly, the state had \$85.3 million extra - most of which is being plugged back into schools, community colleges and a scheduled sales tax credit.

Rather than continuing to crater, Idaho's economy exhibited modest signs of recovery. Income taxes - up 2.3 percent - showed more people had jobs. Sales tax collections - up 1 percent - reflected growing consumer confidence. Corporate income taxes - up 37 percent - demonstrated healthier businesses.

How come it took Otter by surprise?

How come Andrus saw it coming?

For one thing, Andrus respected Ferguson. True, the economist underestimated the financial storms that swamped state budgeting beginning with the 2008 crash. So did practically every statehouse economist in the country.

But he was a student of the economy. He got the best information possible. He didn't spin it toward any political outcome. Over the years, he delivered just as much bad news as good news to Andrus and the five other governors he advised.

Otter and the GOP chose simply to ignore Ferguson's estimates - and those of his successor, Derek Santos - in favor of political numbers. They did it last year. They continued this year.

So in the new budget, Otter and the GOP projected a 3 percent growth in state revenues. Santos had pegged the number at 6.9 percent. That one decision forced about \$90 million in public schools, higher education and Medicaid cuts next year.

Andrus also knew what that meant. If his career stood for anything, it was looking out for school kids, expanding higher education opportunities and stitching together a social safety net for the less fortunate.

Otter and the GOP don't know what they like so much as what they don't like - government spending and tax increases.

Taken one way, low-balling the revenue estimates was a good insurance policy against an emergency tax increase.

Viewed less charitably, it satisfied the ideological zeal to slash education and social programs far beyond what ordinary Idahoans otherwise would tolerate.

Even at the discredited 3 percent growth rate Otter and the GOP embraced last spring, the state would be on track to generate \$88 million extra.

If Santos was right, a 6.9 percent expansion translates into about \$183 million more.

But the just-concluded budget year clocked in at an 8 percent growth rate. If, in the next 12 months, that continues, the state could expect \$210 million more.

All of that proves what Andrus long suspected - that Otter and the GOP had politicized state revenue forecasting these past two years. His \$100 bet held them to account.

For now.

For those Republicans who plan to "starve the beast" of government and go on comforting the comfortable, the path is cleared. These artificial surpluses, they say, should pay for tax reductions rather than to restore unjustified spending cuts.

When the GOP pulls the same stunts next year, what will Andrus be able to do about it? - M.T.