

Bad road deal is worse than no deal at all

Marty Trillhaase/Lewiston Tribune

Only one thing would have been worse than Idaho's lawmakers going home without cementing a deal to find more money for the state's neglected highways and bridges.

That would be adopting a bad deal.

Over the weekend, lawmakers agreed to a modest, \$95 million plan. But in deference to House Republicans, a portion of the transportation package will be drawn from Idaho's general fund. That's the source of money for schools, higher education, welfare, public safety and general government programs.

First in his State of the State address in January and again last week, Gov. C.L. (Butch) Otter signaled he'd veto any plan to drain the general fund for transportation. Obviously, the threat is not being taken credibly. Here's hoping lawmakers are mistaken about Otter's resolve.

Because the governor is absolutely right. Don't be misled by the flow of about \$88 million of unanticipated sales and income tax revenues into the state's coffers. Lawmakers could spend every dollar of that money where it's supposed to go - and still not restore the damage a deep recession and their mania for tax cuts have imposed.

Consider the following:

- Schools - Even with the \$101.2 million boost lawmakers approved, public education needs another \$60 million just to fully recover from budget cuts imposed during the economic downturn. Since 2000, schools have lost about 25 percent of their share of Idaho's personal income - or about \$700 million a year.
- Colleges and universities - Even with the 3 percent budget boost, higher education still falls short of the support it was receiving seven years ago.
- Public employees - A cost-of-living adjustment comes nowhere close to bridging the 20 percent gap between what people earn working for the state and what they could make doing the same work somewhere else.

You can not grow yourself out of this. Sales and income taxes are tied to economic expansion - but, thanks to inflation and population growth, so is the growth in government spending.

By and large, there's a balance. New revenues cover rising costs of existing programs.

If you want to do more, you need to raise taxes. Instead, lawmakers have made things worse by cutting taxes - even in a recession - in the mistaken belief that it will trigger prosperity.

If anything, lawmakers should reverse some of the tax cuts they've already approved. But the last thing Idaho needs is a gaping wound in the general fund.

That's just what draining the general fund for transportation would become. Since 1996, lawmakers have lost their collective nerve about raising the state's fuel taxes. So every year the state has fallen about \$262 million short of maintaining what it has - and about \$280 million further behind on needed expansion and safety projects. The plans they've considered come nowhere close to meeting the need - and many of them involve the general fund.

Even if it starts small with something such as the maneuver to siphon off unanticipated sales and income tax collections through a so-called "surplus eliminator," it's a dangerous precedent. It would always be a one-way street because Idaho's Constitution forbids using transportation account money for general fund programs.

Once launched, the practice will continue to the point where, down the road, lawmakers will have to choose whether to continue starving education, raise income and sales taxes or strangle transportation.

It's a mirage. If the price of paying for Idaho's underfunded highways is pulling money from Idaho's underfunded schools, then the price is too high. - M.T.