

Potholes beat pupils once; might do it again

There's good news coming out of Boise.

Yet again, the surging economy is swelling the stream of tax dollars flowing into state coffers.

As the Spokesman-Review's Betsy Russell noted, the state collected more income taxes, corporate taxes and sales taxes than it expected. Collections in August were 2.2 percent ahead of projections - and 6.6 percent more than what Idaho received at the same point last year.

If you add equally impressive July collections, the state is now 3.3 percent ahead of where it thought it would be - and took in 7.8 percent more than it did for the same period a year ago.

Presumably because more people are doing better economically, fewer of them are relying on Medicaid and other social services. The Department of Health and Welfare last month returned \$19.1 million in unspent money - \$16.1 million of it from Medicaid.

So Idaho's economists felt optimistic enough to forecast the state taking in \$28.3 million more than they expected six months ago.

All of which bodes well for Idaho lawmakers having an extra \$64.5 million to spend when they convene next January.

That's \$64.5 million that could help

Idaho's public schools. Three quarters of Idaho's school districts have less money, when adjusted for inflation, than they did a decade ago and now struggle to find enough teachers willing to work for what Idaho is able to pay them.

That's extra money that could finally restore all the cuts Idaho's colleges and universities endured during the Great Recession, possibly sparing struggling college students and their families from another tuition spike.

If lawmakers need any encouragement to extend Medicaid to 78,000 Idaho adults whose jobs pay them too little to qualify for government-subsidized private health insurance, here's the means to cover any extra costs - however slight they may be.

And, until recently, you had every reason to anticipate that outcome. Those so-called general fund taxes were spent exclusively on basic government programs - education, health and public safety.

But two years ago, the GOP-led Legislature defied its own governor, C.L. "Butch" Otter, and set out on a troubling course.

For almost two decades, those lawmakers had so neglected transportation funding that every year, the system was falling \$260 million short of simple maintenance needs. They had a choice: Finally require the trucking industry to pay its fair share. Or nearly double the fuel taxes that passenger car and truck drivers pay.

They punted. Gas taxes on the ordinary motorist went up 7 cents. Registration fees were nudged upward.

All that produced was a \$95 million package - or barely a third of what was needed.

So they raided the general fund - claiming surplus dollars that otherwise could have gone into education or health care during a two-year period. About \$130 million was split between transportation and the state's rainy day funds.

Otter warned them against taking that step. In fact, he threatened to veto any such bill: "I welcome financially responsible legislation that addresses steady, ongoing and sustainable transportation infrastructure in Idaho; however, I will NOT entertain proposals aimed at competing for general fund tax dollars with education and our other required public programs or services."

It proved to be an empty threat. Otter ended up signing the bill.

So now Idaho is facing another pot of gold.

Here's betting - as Otter famously put it - that pitting potholes against pupils will prove even easier the second time around. - M.T.