



Otter earns D grade for big-spending agenda

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Idaho Gov. Butch Otter's big-spending ways have resulted in a D grade from the Cato Institute, a libertarian think tank based in Washington, D.C.

In **Cato's biennial report** on the fiscal discipline of the nation's 50 governors, researcher Chris Edwards describes Otter's spending record as "poor" and notes his desire to spend rather than reduce government's burden.

"In 2016 Otter said that he was against tax cuts that were being considered by the legislature because they would jeopardize his spending priorities," **Edwards detailed in the report.**

Otter, in his third term, has long said he wants to beef up the education budget and pay teachers more. Lawmakers, for their part, have gone along, increasing school spending by hundreds of millions of dollars over the past few years.

Edwards warns that may not prove the wisest path.

"There's not necessarily a correlation between spending and education quality," Edwards says. "If education is a priority for the governor, he should find ways to offset it. Everything can't be top priority."

Successful governors, the report suggests, have used economic growth to lessen the tax burden on families and small businesses, put cash in reserves and limit government's growth to sustainable levels.

Idaho, with Otter at the helm, has socked away some cash, but it has also grown state spending by about a billion dollars and shied away from tax cuts.

That's cause for alarm, Edwards suggests, because, historically, the economy grows for 5.5 years at a time before taking steps back. The economy has now grown for seven consecutive years.

"We are overdue for a recession," he says.

A recession, if it comes, would likely trigger slumping tax revenue and spur deep program cuts, similar to the reductions lawmakers enacted to schools and health programs in 2010.

Growing government as fast as Otter and lawmakers have, Edwards says, sets up the state for severe pain when the unavoidable economic retraction comes.

Instead of ballooning spending, Edwards told IdahoReporter.com, Otter and legislators should reduce or eliminate the state's corporate income tax, which he dubbed "the stupidest tax in America." That, he said, would spur economic growth and increase Idaho's standing among businesses looking to relocate.

If lawmakers eliminate that tax and need to make up revenue, Edwards suggests closing tax loopholes in other parts of the code and reducing spending.

The Cato researcher likely won't see any of that during the 2017 legislative session, which starts in January. State tax revenue is exceeding expectations, and state officers and lawmakers appear willing to push spending ever higher.

Superintendent of Public Instruction Sherri Ybarra, for instance, **wants to add \$108 million to the schools budget next year**, a 6.6 percent hike.

Legislators have approved school spending hikes well above 7 percent in each of the past two legislative sessions.

Otter's office did not respond to a request for comment.

Cato lists Maine Gov. Paul LePage as the top state executive on financial matters. The top tier includes Florida Gov. Rick Scott, North Carolina Gov. Pat McCrory and Arizona Gov. Doug Ducey.

The group lists Pennsylvania Gov. Tom Wolf as the worst on fiscal issue. He's joined at the bottom by Nevada Gov. Brian Sandoval, Oregon Gov. Kate Brown and Washington Gov. Jay Inslee.