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## Otter receives 'B' grade for fiscal policy from Cato Institute

By Dustin Hurst  
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Otter received an "F" grade in Cato's 2008 report

Grades are out and the Cato Institute, a Libertarian-leaning policy research center based in Washington, D.C., thinks Idaho Gov. Butch Otter isn't that bad – at least fiscally speaking.

Cato released its annual fiscal grading report for the governors of the nation and Otter received an overall "B" grade. The study focused on taxing and spending plans of governors. Those top executives who sought to decrease taxes and state spending generally fared better than those who proposed plans to increase spending and taxes. The report focused solely on the past two years of gubernatorial administrations.

Four governors received "A" grades, while seven executives received "F" rankings. Otter's numeric score was 58 out of 100, above the Republican average of 55. Democrats averaged a 47.

Otter's grade may be thanks, in part, to the Idaho Legislature, rejecter of several tax plans proposed by the governor in the past, of which Cato took note. The think tank, in its assessment of Otter's administration, pointed out that during the 2009 legislative session, the Republican governor pushed proposals to increase gas taxes, car and truck registration fees, and hikes in rental car surcharges.

The group did have some praise for the governor's work in the past two years. "Otter has also supported some tax cuts, such as cuts to sales taxes on groceries and business property taxes," said the report. Otter has been a vocal advocate of removal of sales taxes on groceries, but recognizes the state cannot afford to do so. He has proposed increasing the grocery tax credit amount low-income residents.

Otter's grade was also likely boosted by the recession because it led to slumping tax revenues for Idaho, resulting in cuts in the state's government's workforce. "On spending, Otter supported a large increase his first year in office, but he has trimmed spending since then as the recession set in," said the report. "The governor has taken numerous steps to improve efficiency and accountability in state government, such as trimming state employment." The Rockefeller Institute released a report earlier this year that found that [state government decreased its workforce by 6.9 percent](#), though local governments increased employees by 2.7 percent.

Otter has made government efficiency a campaign issue as he seeks re-election this year. In his first television advertisement, Otter boasted of the state's "tightening of its belt" during the recent economic downturn.

The latest ranking from Cato is an improvement on Otter's last grade from the group, handed out in 2008. In that report, Otter received an "F" grade because he proposed a \$200 million tax hike for vehicles while also calling for increases in transportation spending. Cato researchers definitely noticed Otter's proposal, and called it a "large hike for a small state."

The governor's press secretary has not commented on Cato's ranking.

Otter's ranking matches that of [Montana Gov. Brian Schweitzer](#), a Democrat who received a "D" grade in 2008. Govs. Dave Freudenthal, a Democrat from Wyoming, and Jim Gibbons, a Republican from Nevada, also received "B" grades. Utah's governor was exempted from the study because his tenure in office was not long enough to justify a ranking. Washington Gov. Chris Gregoire and Oregon Gov. Ted Kulongoski, both Democrats, received "F" grades for their fiscal policies.

[Read Cato's full report here.](#)

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