C.L. "BUTCH" OTTER
GOVERNOR

April 21, 2015

The Honorable Lawerence Denney
Secretary of State
State Capitol
Boise, ID 83702

Dear Mr. Secretary,

I hereby advise you that I have transmitted to you, with my approval, the following House Bill, to wit:

H 312a

within the time prescribed by law, the same having arrived in the Office of the Governor at the hour of 1:20 p.m. on April 16, 2015.

House Bill 312 is the product of a House-Senate conference committee convened after the House declined to agree with Senate amendments substantially expanding the scope and impact of the original bill. It represents compromise, concession, and a realization that – in the face of apparent intransigence – something indeed is better than nothing.

In fact, H 312 is a respectable start on a multi-year effort to provide for the long-term needs of our transportation infrastructure, including hundreds of bridges throughout Idaho that every day are reaching the end of their safe lifespans.

But from my perspective, H 312 also represented a sea change in the Legislature's perception of the issue from 2009, our last serious effort to responsibly and sustainably address funding needs for our highways and bridges. That time the debate was about whether there actually was a need, and about whether the Idaho Transportation Department could be trusted to efficiently and cost-effectively put additional highway funding to use on the roadways.

This time the debate was neither about the need nor ITD's ability to do its job professionally. Those questions have been resolved with the work of the Transportation Board and Director Ness, continuing public education and a more open, transparent and streamlined ITD. No, this time the debate was all about how best and most equitably to apportion the costs associated with maintaining and improving our corridors of commerce.

Obviously there remains significant disagreement over how to meet those needs, beyond a foundation of registration fees and fuel taxes. That's especially true in the context of some legislators' sincere belief that transportation should get at least a share of its sustenance from the same General Fund source as public schools, higher education, Medicaid and our prisons.

As you know, I drew a line in the sand on that question in this year's State of the State address when I said, "I will NOT entertain proposals aimed at competing for General Fund tax dollars with education and our other required public programs or services." Some would prefer that I veto this bill because it includes a "surplus eliminator" provision that will apportion half of any General Fund surplus at the end of each of the next two fiscal years to transportation.

I get it, but I disagree. H 312 avoids the competition problem by only using General Fund revenue after the Legislature has made its appropriation decisions regarding the regular General Fund recipients and a surplus remains at the end of the budget year. There also is a rational argument to be made that tax receipts beyond those anticipated during budgeting are not automatically part of the General Fund, thus technically meeting the terms of my proscription.

No, I am not excited about the surplus eliminator idea. It has the feeling of a slippery slope despite the two-year sunset. But effective governance requires flexibility and willingness to constructively lead. As the many ideas and combinations of highway funding schemes were raised, discussed and dismissed, what I saw was a growing commitment by lawmakers to find a way past simply "no."

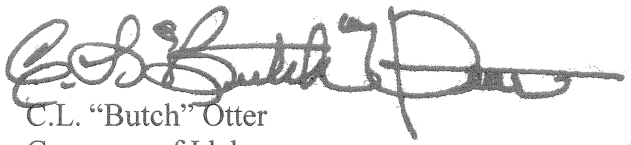
That commitment should be rewarded, as should the broadly accepted understanding – stated by legislators, stakeholders and newspaper editorial pages – that H 312 is not the end of the rainbow for transportation revenue.

There is no pot of gold hidden at the end of this legislation. But H 312 does provide tangible evidence that the Legislature now appreciates the importance of safe and reliable highways and bridges for our economy and the wellbeing of our citizens. Lawmakers passed a bill that covers about a third of the identified maintenance backlog. It was neither the first nor the second or even the third choice of anyone involved, but there seemed to be consensus that while the bill was far less than a stand-alone solution, it also was more than a placeholder.

So while I praise the Legislature for sticking with it and sending me a funding bill, I reiterate my State of the State reminder that every dollar we invest now in our roads and bridges will save motorists and taxpayers $6 to $14. Those are bills our children and grandchildren will be paying.

At least now they won't be able to look back and see that we did nothing – just not enough, yet.

As Always – Idaho, "Esto Perpetua"



C.L. "Butch" Otter
Governor of Idaho

Cc: House Speaker Scott Bedke
Lieutenant Governor Brad Little