



C.L. "BUTCH" OTTER
GOVERNOR

NEWS RELEASE

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GOVERNOR OTTER ADVANCES SIGNIFICANT INVESTMENT IN EDUCATION FUNDING

Sets Priorities for FY 2016

In his annual State of the State address, Governor C. L. "Butch" Otter laid out his priorities for Fiscal Year 2016, which marks the beginning of his third term in office. "Don't limit yourselves. Think big. Be bold. Act decisively," Governor Otter said.

K-THROUGH-CAREER:

The Governor's public schools recommendation represents a 7.4 percent increase in funding for K-12 education or nearly \$60 million above pre-recession funding levels. The increased funding is focused on implementing the recommendations of the Governor's Task Force for Improving Education and includes:

- Funding for a career ladder to increase teacher salaries;
- Restoration of operational funding to districts;
- Professional development for teachers; and
- Career and college counseling for students and technology to enhance classroom instruction.

In addition, he called for a collaborative effort of education stakeholders to address reading proficiency and literacy. Governor Otter also committed to rebidding the contract for the Idaho Education Network (IEN) and to securing funding for the IEN in fiscal year 2016 to ensure Idaho students continue to benefit from the high quality instruction and opportunities provided through the IEN.

Governor Otter also advanced sustainable investments for higher education, emphasizing programs that address workforce readiness and critical workforce needs. The Governor challenged regions of the state without the affordable, accessible and responsive resources of a community college to work with stakeholders to consider the benefits of establishing a community college district to meet local needs.

The Governor noted the collaboration between education and the Departments of Commerce and Labor as they work together on workforce development. He also praised the efforts of the Department of Labor's "Choose Idaho" initiative to recruit and return employees to Idaho to help meet the demand for skilled workers. The Governor's budget request includes a \$5 million transfer of funds for Industry Sector Grants to help build partnerships between industry and our education system to address a growing shortage of skilled and trained workers.

INFRASTRUCTURE

The Governor's budget recommendation includes an additional \$3 million for the Idaho Opportunity Fund at the Department of Commerce to be used for strategic grants to help Idaho communities provide the water, power, wastewater treatment, roads and other infrastructure necessary for new or expanding businesses.

"Investing in infrastructure is among the smartest, most cost-effective and frankly essential uses of taxpayer dollars to promote the public's general welfare and sustain economic growth," Governor Otter said.

That investment includes addressing what the Governor called "the elephant in the room" the state's growing transportation infrastructure needs. The Governor cited the 785 state and local bridges in Idaho that are over 50 years' old and considered structurally deficient, a number that will increase to almost 900 bridges by 2019. He welcomed "financially responsible legislation that addresses steady, ongoing and sustainable transportation infrastructure in Idaho" but cautioned that proposals not compete for General Fund dollars needed for education and other necessary state programs.

TAXATION

Governor Otter encouraged lawmakers to consider the recommendations from the task force he assembled last year to consider improvements to how the Idaho State Tax Commission operates to achieve equity, certainty and simplicity. The Governor reiterated his desire to reduce the marginal tax rates for Idaho's individual and corporate income tax below 7 percent from their current 7.4 percent and for the complete elimination of the personal property tax.

His Fiscal 2016 budget recommendation includes the first year of a five year approach to reduce Idaho's income tax brackets from 7.4 percent to 6.9 percent. "This effort will provide relief to 44 percent of taxpayers this year and up to 51 percent of taxpayers by 2018," Governor Otter said.

HEALTHCARE

Governor Otter urged lawmakers to hold hearings on the findings of his Medicaid Redesign Workgroup. He also noted the Department of Health and Welfare's efforts to build public-private partnerships as they work on the State Healthcare Innovation Plan to change the way we pay for and deliver healthcare services – including Medicaid.

The Governor noted the successful operation of Your Health Idaho, the state run healthcare exchange, saying, "Idaho now is successfully running its own insurance exchange cheaper, more efficiently, with less staff and with better service than the national system that overpromised and profoundly under-delivered."

Governor Otter thanked the Legislature and others who are working to address behavioral health issues. His Fiscal 2016 budget request includes funding for an additional Behavioral Health Crisis Center similar to the one opened last year in Idaho Falls that provides short-term assistance to those with mental health or substance abuse problems.

The Governor's full remarks and budget highlights are available at <http://gov.idaho.gov/>.

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