



Priorities Set, Promises Kept: The 2011 Idaho Legislature

Enabling Creation of Career Opportunities

- The Governor's "Hire One Act" (**H 297aaS**) provides employers with a refundable tax credit of 2, 4 or 6 percent of a new employee's gross annual wages – depending on their unemployment insurance rating with the Department of Labor – for adding new employees at wage ranges of at least \$12 or \$15 per hour, depending on the local jobless rate.
- The Industrial Commission refund bill (**H 240**) reduces the tax on insurance companies and self-insured employers from 2.5 percent of net premiums collected to 2 percent for calendar years 2012 and 2013. That will be passed on to all insured Idaho employers in the form of lower worker's compensation insurance premiums.
- **H 181** created and **H 309** funded the Idaho Small Business Assistance Fund, enabling the Department of Commerce to award grants to help small businesses apply for federal grants. That was one of the recommendations that came out of the Governor's Small Business Summit in April 2010. Representative Brian Cronin deserves credit for resurrecting the original bill, which died in committee, and adding a provision allowing award recipients to replenish the fund.
- By approving **S 1208**, the Legislature endorsed Governor Otter's request to engage in the Idaho National Guard's Youth ChalleNGe program by investing in a special intervention academy for at-risk Idaho students. The idea is to turn around the lives of high school drops by addressing their needs for education, life skills and improved employment potential. The program will be implemented in the northern Idaho timber community of Pierce, where about 50 new full-time career-path jobs would be created directly related to the facility.
- The Legislature approved the Governor's recommendation for \$162 million in GARVEE bonding authority to complete construction on two critical highway improvement projects on U.S. 95 in northern Idaho and Idaho 16 in southwestern Idaho. Together, the work will create or sustain an estimated 2,900 jobs.
- Citing a proven return-on-investment record and growing economic opportunities as a result of previous State support, the Legislature approved the Governor's recommendation for \$1.6 million in state support for the Center for Advanced Energy Studies.

Living Within the People's Means

- The Governor and Legislature balanced the State budget without raising taxes or instituting new fees.
- Responding to the Governor's call, the Legislature adopted the 3-percent growth rate included in the Executive Budget recommendation and set the budgets for state agencies accordingly. By taking this conservative approach, Idaho avoids unfunded mandates, overextended promises and on-going obligations.
- The Legislature cut \$34 million from the FY 2012 Medicaid budget, based an initial proposal to reduce Medicaid spending by \$39 million and public hearings that led to the reductions being refocused in order to mitigate impacts on Idaho's most vulnerable populations.

- In order to ensure those who owe taxes actually pay them, **H 306** provides \$4.35 million to make 48 temporary Tax Commission positions permanent to sustain the Governor’s Compliance Initiative and add 22 temporary positions to further enhance the third year of the effort. An estimated \$28.5 million is expected to be collected as a result of the initiative in FY 2012, including an estimated \$19.7 million for the General Fund.
- **H 108** authorized the Department of Labor – through the Idaho Housing and Finance Authority – to bond for repayment of the \$202 million it had to borrow from the federal government to pay repeatedly extended unemployment insurance benefits during the recession. Bonding will reduce the impact to employers, and by extension to taxpayers.
- The Legislature passed **H 95** to increase the transparency and accountability of taxpayer-funded urban renewal districts while still enabling them to do the work for which they were created.

Reforming and Investing in Education

- Working together with Superintendent of Public Instruction Tom Luna, the Governor spearheaded the approval of sweeping reform. Three bills (**S 1108, S 1110 and S 1184**) making up the *Students Come First* reform package were approved and signed into law. They refocuses limited resources on the most efficient and effective strategies to educate Idaho students at a higher level. The Students Come First plan restores decision-making authority and flexibility to locally elected school boards (**S 1108**), creates a pay-for-performance system for Idaho’s excellent teachers (**S 1110**), and delivers technology to classrooms, students and teachers (**S 1184**).
- The public schools appropriation includes funding for a third year of math and science curriculum and covering the cost of college entrance exams for all Idaho high school students.
- With the Governor’s support, the Legislature approved significant increases in spending authority for the Idaho Education Network (**H 323**). Combined with three separate grants, including \$3 million from the Albertson Foundation, the spending authority will result in an additional investment of almost \$4.9 million for Idaho education – bringing high-quality, interactive Internet connections to every high school in the state.
- **S 1208** authorized creation of the Idaho National Guard Youth ChalleNge program at an unused facility in the northern Idaho town of Pierce. The program will cost \$1.3 million in one-time costs for FY 2011 and FY 2012 and ongoing costs of \$3.9 million per year for FY 2013 and beyond. It targets at-risk youths who have dropped out of high school. The program is aimed at providing young people with a structured, disciplined 22-week residential program that focuses on education and practical life skills, followed by a 12-month post residential phase that involves skilled and trained mentors who support graduates in the effort to find employment, further education, or some other positive life course. The program will be focused on assisting participants in getting a high school diploma or general equivalency diploma and on ensuring students become productive members of society.
- As recommended by the Governor, the Legislature approved stable funding of \$22.6 million for the Agricultural Research and Extension Service. The funding was required to protect core capabilities and encourage investment in innovation that keeps Idaho agriculture – including the growing export sector – on the cutting edge of our global competitiveness.

Restoring Public Confidence in the Tax Commission

- The Governor appointed former Senate President Pro Tem Bob Geddes as the Tax Commission’s new chairman, bringing unparalleled integrity and public respect to the Commission’s leadership.
- The Legislature accepted continuation of the Governor’s Compliance Initiative, aimed at addressing the “Tax Gap” between what is owed and what has been collected, by adding auditors and other compliance personnel in a targeted and constantly monitored fashion.