

2012

IDAHO REPORT ON
GOVERNMENT WASTE



2012 Idaho Report on Government Waste

By the Idaho Freedom Foundation and its team of
researchers and journalists:

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ACKNOWLEDGEMENTS

We'd like to take a moment to thank Idahoans for their continued belief in our organization. Everywhere we go in Idaho, we meet people who believe in the work we are doing and support us morally and financially. What we do would be impossible without them.

Special thanks go out to our board of directors, Heather Lauer, Bob Rathbone and Dan Symms for their vision, leadership and dedication to the cause of freedom and for their consummate passion and energy for the Idaho Freedom Foundation.

Lastly, and most importantly, we are forever thankful to have the generous support of our donors, who made this project—and everything we do for freedom—possible. Among our financial contributors to this project:

Laurie Lister-Frost, Esq.	Dennis & Susan Mansfield
Larry Gilman	Dan Symms
Tina Jacobson	The Brandt Foundation
Sandra Mitchell	Maurice Clements
Darr & Dorothy Moon	Diane & Tom Kenney
Stan & Linn Hawkins	Rep. Marv Hagedorn
P.T. Rathbone	Robert & Barbara Forrey
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Rita & Rex Kerr	Hubert & Charlene Osborne
Tom J Katsilometes	Robert & Barbara Forrey
Rep. Judy Boyle	Lenny Riccio
William W Ditz	Darrell & Laurie Burchfield
Paul & Sharon May	Bruce Skaug
Patrick & Janet Benson	

... and many more anonymous donors across Idaho who share our concern about the size and growth of government, even here in Idaho.

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About us

The Idaho Freedom Foundation (IFF) is a non-partisan educational research institute and government watchdog dedicated to improving the lives of Idahoans. IFF advocates for free market solutions, private property rights, individual responsibility and transparent, limited government. IFF develops and distributes original research and data with the goal of restoring our state and nation as beacons of opportunity and prosperity.

IFF is a non-profit, tax-exempt organization that relies solely on private donations, not government funding, to carry out its mission.

Guarantee of quality scholarship

The Idaho Freedom Foundation (IFF) is committed to delivering the highest quality and most reliable research on Idaho policy issues. The Foundation guarantees that all original factual data are true and correct and that information attributed to other sources is accurately represented.

IFF encourages rigorous critique of its research. If an error ever exists in the accuracy of any material fact or reference to an independent source, please bring the mistake to our attention with supporting evidence. We will respond in writing and correct the mistake in an errata sheet accompanying all subsequent distribution of the publication, which constitutes the complete and final remedy under this guarantee.

Introduction

As you pick up this report, an obvious question emerges: How is it that local and state government officials contend they've cut spending, and yet our annual report on government waste keeps getting bigger? The answer is, while some segments of government have indeed been cut, vast examples of government excess remain. So what's left? Our report highlights:

- Programs that defy the proper role of government.
- Programs intended to make politicians appear that they “care” for their constituents but do little else.
- Policies that are designed to interfere in the marketplace at taxpayer expense.
- Forced charity at taxpayer expense, often with no results, but more often prolonging the very problems the programs were supposed to combat.
- Government projects that fail or increase in cost as a result of poor planning.
- Expensive contracts that dispense favors to a particular interest group.
- Special perks and favors being given out by government at considerable expense.

In the following pages you will see billions of dollars in government waste – from the Statehouse to our city halls. Some of the spending will make you angry. Some government spending appears so silly, it will make you laugh. Most of all, we hope it will make you think.

We encourage rigorous critique of our work. We believe the conclusions reached are a fair and true assessment of government in Idaho. As in previous years, some will vehemently disagree with us and reject our conclusions. That's OK. If government spending is appropriate, even the most zealous defenders of a program should have no problem with our asking questions, kicking the tires of government and making suggestions for change. No government program or expense should be above scrutiny. There are no sacred cows.

We believe this is important because every dollar used to run government is money that had to be forcibly extracted from the private sector. This impacts everyone.

To the waitress working tables at your favorite restaurant, the money government takes out of private sector productivity impacts every aspect of her finances. The more money that's taken out of the economy, the less money there is for companies to meet a payroll. The less money available for payrolls, the less likely it is our waitress will see a raise. Without a raise, our waitress friend will have less money to spend on food, clothing and other necessities. She'll have less money to pay her rent. She'll have less money to buy Christmas presents for her kids. Of course, with less money in the economy, it's quite possible her boss will choose to have a restaurant with one less waitress.

Because of her struggle, some folks in the government and in elected office will want to help. They'll add government employees armed with knowledge and good intentions to try help her with her issues. They'll add entitlements – a program to help her pay for food, a program to help her pay for medicine, a program to help her get insurance, a program to help with rent. If her job ends because the restaurant didn't have enough money to retain employees, the government will try to help with her with unemployment benefits, job retraining programs and career counselors.

But we forget this waitress would have been better off if elected officials had only figured out how to keep money in the private sector. It's not glamorous, but it is the most definitive way to help ordinary people who simply want their own shot at the American Dream.

Whether you are a taxpayer or an elected official, we hope you'll think about our waitress friend as you read the pages that follow. Ask whether government's spending decisions ultimately benefit or hurt her.

Despite the fact that our report on government waste keeps growing, lawmakers are listening. Last year, much of our report was devoted to urban renewal projects. Lawmakers responded by changing urban renewal laws. More needs to happen, but 2011 gave us the first real reforms in a generation. Also last year, much of our report was devoted to labor union master teacher contracts. The Legislature responded with reforms to public school collective bargaining agreements. In previous years, governing agencies and officials have eliminated entire programs and subsidies highlighted in our annual report.

Finally, last year, we pointed out that too many elected officials and bureaucrats make a distinction between state spending and federal spending. We do not. In the pages that follow, we consider wasteful or reckless spending of taxpayer dollars regardless of the source. The

public is focused like a laser on the growing problem of federal spending. Idaho officials should be, too.



Let's be clear on one point: Politicians and bureaucrats will argue that every government program is justified. Every program came into existence because of good intentions. Government programs remain in existence because those programs have a constituency, and politicians hate to make those constituencies angry by pulling the plug. What follows is a selection of some of the government programs in the state that make us a tad cranky. We hope it will have a similar effect on taxpayers.

Time for a Commission on Left-Handed Affairs

Did you know that while left-handed people make up just 10 percent of the population, 20 percent of the people with schizophrenia are left-handed?¹ Scientists don't know why, but clearly, left-handed people are at a disadvantage. If favoring the left over the right doesn't cause enough

¹ The health risks of being left-handed, Wall Street Journal, Dec. 6, 2011.
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problems, left-handed people more prone to ADHD and earn 10 percent less than people who favor their right hand.²

Indeed life is tough for the average left-handed person, which is why Idaho clearly should create a Commission on Left-Handed Affairs. Said commission could make sure our left-handed neighbors are paid well, their mental health issues are addressed and that every school classroom has at least one pair of left-handed scissors per left-handed child.

Now, the creation of a state agency for left-handed people would be silly, but it would make slightly more sense than, say, the Idaho Commission on Hispanic Affairs, which is supposed to help people specifically based on race and ethnicity.

Why have Idaho policymakers chosen to highlight a particular group of people? Is it, perhaps, so they can demonstrate that they care about a segment of the population, and in currying favor, win their votes? The Hispanic Commission comes with a cost of \$286,300 for 2012.³

In reality, it's an insult, not to the groups that don't have their very own commission but to Hispanic people everywhere. It screams, "You're Hispanic and so, therefore, you are unable to get ahead without a government agency to help you." It's simply unfair, untrue and the type of patronization government shouldn't be offering any group of residents in the state. Our state's Latino residents are better than that, and they deserve to be thought of better by elected officials. Indeed, left-handed people, might, according to scientists, have some genetic shortcomings. Hispanic people don't, and the government shouldn't treat them as if they do.

We would still prefer if lawmakers didn't fund the Idaho Preferred Program

We've discussed this topic in previous reports on government waste, but for some reason the state has decided to continue using taxpayer money to fund the Idaho Preferred Program, even though its efforts are essentially being duplicated by a private sector counterpart.

² Ibid.

³ 2012 Legislative Fiscal Report, Page 5-41.

Instead of using the thousands of taxpayer dollars it takes to run the Idaho Preferred Program, the state would be wise to cut this waste and let Buy Idaho, a private consortium of Gem State businesses, work on promoting local products and services.

The Idaho Preferred Program is a product of the Department of Agriculture and is funded using hundreds of thousands of dollars of taxpayers' money. In fact, in fiscal year 2010 the program used \$214,000 to do its work and another \$208,000 in fiscal year 2011.⁴ The money funded one employee each year plus operating expenses.

Leah Clark, administrator with the Idaho Preferred Program, said that her efforts are directed only at promoting Gem State agricultural goods, whereas Buy Idaho has a broader range and can advance more Idaho businesses. "Although at first glance there may be the appearance of a duplication of effort, both organizations play an important role in supporting Idaho businesses and provide different but complementary services," Clark said.⁵

But Barbara Dorsey, director of member services for Buy Idaho, told the Idaho Freedom Foundation that her entity also promotes Idaho agricultural products, though with fewer restrictions than the Idaho Preferred Program.⁶

Government shouldn't exist to promote certain products. In the case of Idaho Preferred, it is a duplication of a program offered by the private sector.

Taxpayers get taken for a ride on public bus systems

Every time a rider steps onto public buses, taxpayers go along for the ride. Records from two bus systems in Idaho show that taxpayers are helping to pay for other folks to get around town.

⁴ Data from Idaho Department of Agriculture.

⁵ Email to IFF staff, Sept. 13, 2011.

⁶ Phone interview with IFF staff, Sept. 13, 2011.

In Boise, federal and local taxpayers pitch in about \$14 per rider annually for the Valley Regional Transit System.⁷ In Nampa, that figure is about \$31 per rider.⁸

Mark Carnopis, transit spokesman, isn't bothered by the subsidies for public transit. "We basically put the services out on the road that we can afford," Carnopis explained. "Subsidies are a way of life for public transportation, as it is for roads and highways."

In the Sun Valley area, the Mountain Rides system also relies on taxpayer support. Records show that for each rider, local and federal taxpayers pitch in \$2.40.⁹

Subsidies are indeed a way of life for public transit, largely because people don't use it. Unfortunately, public transit is another government program the politicians want the public to use, but we don't. And so taxpayers are unwittingly being forced to go along for a ride, usually on empty buses.

Subsidizing public TV makes us grouchy, too

We've taken a lot of heat for our stance on the Legislature funding Idaho Public Television (IPTV), but that's the price of being right. Running a TV station is not the proper role of government.

We know Big Bird, Oscar the Grouch and now "Idaho Reports" anchor Greg Hahn are endearing to many, but what's not endearing is that IPTV is costing \$2.4 million this year, with more than \$1.4 million of that coming from state general fund dollars.¹⁰

IPTV has been lauded by many, including members of the Legislature on both sides of the aisle, but Gov. Butch Otter had it right in 2010 when he attempted to phase out funding for the station through a four-year process.

⁷ *IdahoReporter.com*, "Documents show a heavily-subsidized Treasure Valley public transit system," by Dustin Hurst, Aug. 30, 2011.

⁸ *Ibid.*

⁹ Based on Mountain Ride's fiscal year 2011 ridership and revenue and expense reports.

¹⁰ 2011 Senate Bill 1164.

If lawmakers did the right thing and ended funding for IPTV, we're pretty sure the world would have continued to spin. We know this from watching the free market science programs available on commercial TV stations. What's more, our understanding of the free market helps us to know that commercial stations would take up the mantle of broadcasting the quality programming that exists on government-run television. Every dollar spent on IPTV is one more dollar taken out of the economy at the expense of the private sector.

Sure, life is pretty cozy on "Sesame Street," but we're certain Big Bird and the Grouch will find life even better in the free market.

Where the cars are

Idaho state government agencies spent \$8.3 million on automobiles during the 2010-2011 budget year.¹¹ That's an increase in car buying of about \$3.3 million from the year before. The biggest vehicle purchaser might surprise you, however -- \$2.3 million by the Department of Fish and Game. That's slightly more than the \$2.2 million spent by the Idaho State Police.¹²

Why can't we find a place to meet?

The state of Idaho spent about \$385,000 on conference and meeting rooms last year, an increase over the previous year of about \$12,000.¹³ The top spender was Boise State University, at \$91,000, followed by the office of the superintendent of public instruction, who used about \$53,000 for meeting space. The Department of Health and Welfare was next with almost \$42,000 spent on meeting rooms.¹⁴

With all the meeting space the state of Idaho has these days - not to mention all the public schools with available places to congregate - you'd think we wouldn't have to spend so much taxpayer money on a location to meet.

¹¹ Data from the state controller's office, analysis via AccountableIdaho.com.

¹² Ibid.

¹³ Data from the state controller's office, analysis via AccountableIdaho.com.

¹⁴ Ibid.

We need more publicity, now!

Idaho spent a little more than \$5.7 million last year on promotion and publicity.¹⁵ The top spender in this category was Department of Commerce, at about \$2.2 million, down slightly from the year before.

The Department of Health and Welfare, spent about \$1.4 million.¹⁶ This, by the way, represents an increase of about a third from a year ago. The No. 3 promoter in the state, Idaho Transportation Department, also increased its publicity spending by about \$117,000 to \$1.2 million.

Can you hear me now? Good.

It would be nice to understand how the state came to spend \$1 million on cellular communications in 2010-2011, an increase of just about \$25,000 over the previous year.¹⁷ It's hard to know just how much the state ought to be spending on cell phones.

After all, every agency is different; some require more mobility than others; some have employees who don't need cell phones. But it would be nice to have an understanding of how, for example, the Division of Vocational Rehabilitation, with 151 full time positions, spent \$51,500 on cellular communications, while the Department of Land, with 264 full time positions, spent less than \$45,000.¹⁸

Property tax burdens reach new altitudes in Idaho

Many Idaho taxpayers are under an erroneous impression that their property tax bill can only increase by 3 percent a year. After all, that's the limitation on local governments. But that's not quite accurate, and when you get your property tax bill in the mail, only then does it become clear how inaccurate. Local governments are limited but not like you think. Local governments also accrue property tax increases through new construction and annexation.

¹⁵ Data from the state controller's office, analysis via AccountableIdaho.com.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

To be sure, property tax budgets for our local governments have grown large and high in recent years, while revenue sources for, say, state government, has headed in the opposite direction. Property tax budgets in 31 of Idaho's 44 counties has grown by at least 20 percent since 2006, with Teton County leading the way at 80 percent.¹⁹

Lest the counties feel picked on, the average increase in property tax budgets among counties was 26 percent, the same as Idaho's cities. Among the cities, Huetter, a town of about 100 in Kootenai County saw the biggest increase in its property tax budget -- 256 percent.²⁰ Idaho has about 175 cemetery districts and 146 fire districts.²¹ On average, property tax budgets have grown 32 percent among cemetery and fire districts in the state.²²

We're from the government and we're here to compete against private business

Why does government believe it has to participate in the marketplace? Last year's decision by the state Land Board to buy and run a storage business in Boise is just a symptom of a larger, ongoing problem that occurs at all levels of government.

Boundary County in the Panhandle operates the Restorium, an assisted living center in the small town of Bonners Ferry. The facility's website says the center is supposed to "help meet the needs of seniors not capable of completely independent living yet who do not need continuous skilled care."

According to records, the facility lost money in fiscal year 2010. The Restorium's 2010 expense and revenue show it spent \$824,791 while only bringing in \$794,735.²³ Records show that the facility made money in 2011.²⁴

¹⁹ Data analysis from *AccountableIdaho.com*.

²⁰ *Ibid.*

²¹ Data from the state Tax Commission.

²² *AccountableIdaho.com* data.

²³ Boundary County public records request, Aug. 25, 2011.

²⁴ *Ibid.*

The Restorium charges between \$1,288 and \$2,505 per month depending on room size selected by patrons. The monthly fee includes all meals, laundry, housing and personal assistance, if needed.

Ron Smith, a Boundary County commissioner, told the Idaho Freedom Foundation that the county owns the facility because its residents asked it to through a vote several years ago. Asked if he thinks it's appropriate for the government to compete against private businesses, Smith replied in the affirmative. "Absolutely, because it's a service to our residents here," he said, adding that the center aids the local economy. "We provide jobs. We've got 30 or so people working there."²⁵

Smith said a task force commissioned four years ago to decide the fate of the facility determined it should remain under county ownership. Smith is fine with that. "I don't think we are infringing on anyone," he explained. "The government doesn't pay taxes. Is that an unfair advantage? I don't know."

But we know. Yes, it is unfair. It also makes healthcare more expensive, as clients seek government options at the expense of those in the private sector.

Fun, sun ... and little bit cash in Rexburg

In 2011, ever-caring government officials in the eastern Idaho town of Rexburg decided to fulfill their citizens' water park needs by debt-financing the \$5.2 million construction of Rexburg Rapids over 12 years.

A revenue and expense report shows the park made little money in 2011 and officials expect it to make even less in 2012. The city's finance director originally reported the park netted \$60,000 in 2011, but he pointed out that outstanding bills would likely bring that total down to about \$30,000.²⁶

Because of operating expenses the park must incur through the winter months, the city expects the park to take in even less this year. An optimistic projection puts 2012 net revenue at about \$16,000, but that figure might be a little sunny.²⁷ That forecast, taking into account higher

²⁵ Phone conversation with IFF staff, August 2011.

²⁶ Rexburg city public records request, Oct. 17, 2011.

²⁷ Ibid.

utility costs, also anticipates higher attendance in every category than what the park saw in 2011. Call us skeptical that the waterpark will do better in its second year than its first.

If the park doesn't meet its higher attendance projections, it is possible Rexburg could end up in a deficit. Taxpayers would be forced to pony up more funds to keep the park viable.

The possible coming scenario for Rexburg Rapids would give new meaning to the term "bail out," wouldn't it?

Idaho Center loses hundreds of thousands but keeps doors open

Rexburg, of course, took its cues from Nampa, where the economic geniuses there decided to build the Idaho Center.

In Caldwell, blogger Paul Alldredge refers to the Idaho Center, a performance arena built to house concerts, rodeos and other events, a "millstone" around the neck of Nampa taxpayers.²⁸

After studying the financial reports of the facility, we can see why he feels that way. In 2009, the center, which has been open for 15 years, lost \$808,499.²⁹ In 2010, the situation was slightly better, but still bad for taxpayers. In that year, the center lost \$196,486.³⁰ The year 2011 resembled 2009, with the facility taking \$704,579 in losses.³¹

What's just bad as these numbers? The fact the officials believe they can make this situation work for taxpayers. The 2012 budget for the Idaho Center projects a break-even year, even though that didn't happen in the previous three years.³² What will taxpayers get for their continued support? A free concert ticket? Fiscal solvency? How about neither?

²⁸ *Caldwell Guardian*, "Idaho Center, the millstone around Nampa taxpayers' neck," June 29, 2011.

²⁹ 2009 Idaho Center expense/revenue report.

³⁰ 2010 Idaho Center expense/revenue report.

³¹ 2011 Idaho Center expense/revenue report.

³² 2012 Idaho Center budget.

Driving up the cost of driver education

Idaho spends about \$2.2 million annually to subsidize driver education classes for teens, but that money really could be better spent elsewhere or not at all.

Rep. Steven Thayn, R-Emmett, pitched House Bill 314 in 2011 to cut the \$125-per-student subsidy for driver education classes, but it was defeated on the House floor. Thayn's plan was to send the majority of the money to the state's public schools reserve fund and \$100,000 to the highway account.

The subsidy is funded through part of the fee drivers pay when they obtain their licenses.

There is little reason for this subsidy to exist. In fact, Idaho is one of four states to offer taxpayer money for driver education. Utah, Montana and Wyoming join Idaho in the practice.³³

The subsidy puts the government in competition with the private sector, and drives up the cost of driver education. It's time to take the air out of the tires of this government program. End the driver education subsidy.

Idaho's other big business: Insurance

In the state of Idaho, the organization that underwrites workers compensation policies for 70 percent of Idaho businesses is the government's very own State Insurance Fund.³⁴

Of course, people who don't want to do business with the state don't really have to. They can find a private insurance carrier or self-fund instead. Idaho is not unique in this equation. Our state is one of 21 states that provide these three options for worker's compensation insurance.³⁵

³³ *IdahoReporter.com*, "House bill would eliminate state subsidy of drivers' training," by Mitch Coffman, March 31, 2011.

³⁴ Interview with State Insurance Fund, Jan. 5, 2012.

³⁵ American Association of State Compensation Insurance Funds.

Jim Alcorn, the head of the State Insurance Fund, said that without the existence of the State Insurance Fund, private carriers might flee the state in an economic pinch.

“We’re mandating work comp in the state of Idaho. If you’re mandating it, you’d better make sure there’s a place to get it,” said Alcorn. Three states--North Dakota, Puerto Rico and Wyoming--allow workers compensation insurance to be sold only through their government insurance fund.³⁶ At least in that regard, we’re ahead of the curve. But we wonder--given the fact that 30 percent of Idaho companies get their workers compensation insurance from private carriers--why the government really needs to be in this business.³⁷

Speaking of government-run monopolies ...

Idaho lawmakers had the opportunity to end one of their government-run monopolies in 2011, but balked at the idea. In January 2011, the Office of Performance Evaluation (OPE) told lawmakers they could easily privatize the state-run liquor system and make just as much money with the private sector running it.³⁸

In fact, the report issued by the office told lawmakers they could even make substantial sums of money selling off assets in the first year of privatization.

So why the balk over the move? Some lawmakers think the state-run system is fine. “I’m not about privatization at all,” said Rep. Maxine Bell, R-Jerome, speaking of the idea.³⁹ Bell believes the state needs to find ways to maximize profits from the venture. Some legislators also believe that the state constitution’s requirement that Idaho’s Legislature promote temperance requires a state-run liquor control system. But take a look at data from other states. Idaho has as much liquor consumption as those states with free market liquor stores.⁴⁰ Where’s the temperance in that?

³⁶ Ibid.

³⁷ Ibid.

³⁸ Office of Performance Evaluation, “Distribution and Sale of Liquor in Idaho,” January 2011.

³⁹ *IdahoReporter.com*, “Idaho could privatize liquor stores, according to legislative watchdog,” by Brad Iverson-Long, Feb. 1, 2011.

⁴⁰ The Centers for Disease Control, *Binge Drinking Among the States*, 2009.

It might be also surprising to know that states that recently privatized liquor sales actually experienced less per capita alcohol consumption.⁴¹

There is speculation, however, about how efficient the state can be in the liquor distribution business. The report issued by OPE says that while liquor sales rose from 16 percent from 2006 to 2010, net profit jumped 14 percent.⁴² The state could have brought in \$5.2 million more in profit if its 2010 efficiency matched the 2006 rate.⁴³

No surprise: Government didn't coordinate among its programs

We all know several government programs overlap, and the Idaho Office of Performance Evaluations (OPE) provided evidence last year of the fiscal impact of sloppy management by bureaucrats.

Late last year, OPE reported to a legislative oversight committee that Idaho's end-stage renal disease program is poorly-managed by the Division of Vocational Rehabilitation. OPE said, essentially, that there have been some payments made by the program that shouldn't have been and that some federal entities provide end-stage renal services. Since 2008, OPE reported, more than \$116,000 has been paid out to 13 program recipients who didn't meet eligibility requirements.⁴⁴ "We found the program lacks clearly articulated procedures to enforce its eligibility requirements, which has resulted in inconsistencies among staff and regions," the agency said.⁴⁵

Another \$49,000 was paid to 12 recipients who also took part in Medicaid, which also covers end-stage renal disease claims.⁴⁶ OPE recommended that the state either phase out the program or make improvements quickly. Gov. Butch Otter has backed the idea of eliminating it in 2013 to allow participants time to find other funding or coverage for their care.

⁴¹ Commonwealth Foundation, "Government-run liquor stores," October 2009.

⁴² *IdahoReporter.com*, "Idaho could privatize liquor stores, according to legislative watchdog," by Brad Iverson-Long, Feb. 1, 2011.

⁴³ *Ibid.*

⁴⁴ *IdahoReporter.com*, "Idaho renal disease program poorly managed, according to performance report," by Mitch Coffman, Nov. 30, 2011.

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

That's the right call, governor.

Duplication of services at the state level

We've talked about this in our two prior reports, but we feel it's so important that we need to bring it up again.

This fiscal year, the state is spending \$4.4 million on the Idaho Blind Commission, an agency dedicated to helping the visually-impaired obtain gainful employment.⁴⁷ The commission's website says "The agency assists blind and visually impaired persons to achieve independence by providing education, developing work skills, increasing self-confidence and helping them remain employed or prepare for employment."⁴⁸

That sounds very close to the mission of the Division of Vocational Rehabilitation, which says its goal is "to assist people with disabilities prepare for, secure, retain or regain employment."⁴⁹ The 2012 appropriation for this agency is \$23.4 million, and includes a mix of state and federal funds.⁵⁰

So why can't these two agencies, boasting similar missions for the same type of people, combine their efforts to save taxpayers money? Red tape. State law actually prohibits the Division of Vocational Rehabilitation from helping blind people.⁵¹

And where is the Department of Labor, the agency tasked with helping Idahoans get jobs, in all of this?

Redistribution of wealth, Hollywood style!

The Idaho Film Office, a division within the Idaho Department of Commerce, funded through a 2 percent tax on hotel/motel stay and nights at campgrounds, handed out \$30,000 to six filmmakers in 2011.⁵² The money, the agency said, was to help local filmmakers finish or market their films.

⁴⁷ 2011 SB 1161.

⁴⁸ <http://icbvi.idaho.gov/>.

⁴⁹ <http://www.vr.idaho.gov/index.shtml>.

⁵⁰ 2011 SB 1189.

⁵¹ Idaho Code 33-2303.

⁵² *IdahoReporter.com*, "Idaho film grants funded through state's tourism tax," by Mitch Coffman, Sept. 29, 2011.

Each of the six filmmakers was awarded \$5,000, the maximum grant amount. More than 20 filmmakers applied for grant dollars. Two narratives, two documentaries, one feature film and one comedy received funding through the program.

While officials will say this program helps small-time filmmakers make it big, we know that's just not the case. This is just another example of government picking winners and losers in the marketplace and using tax dollars to do it. It also makes us all buy what filmmakers are selling, whether we like it or not.

Government-approved art projects

Last year, government entities handed out thousands for dollars for art projects around the state.

The redistribution of private wealth to the art world starts at the top with the Idaho Arts Commission, a state agency tasked with giving out grants for art projects of which it approves. In 2011, the commission gave out \$567,739 in grants, with money going to local arts councils, ballet companies, orchestras and many other entities.⁵³

But local governments get into the art business, too. For example, the city of Coeur d'Alene spent \$225,000 on public art projects between 2009 and 2011, with \$24,000 of that going toward decorative bike racks.⁵⁴

Another \$75,000 of that went for some metal sails near the intersection of Northwest Boulevard and Seltice Way.

The city of Moscow spent \$186,626 on its art department in 2011 and is expected to expend as much as \$275,705 on it in 2012.⁵⁵

Other cities don't spend as much as Coeur d'Alene, but they still take taxpayer funds to pay for art. Idaho Falls gives \$10,000 each year to its

⁵³ 2011 Idaho Arts Commission grantees, <http://1.usa.gov/rsr215>.

⁵⁴ Coeur d'Alene information request, Aug. 30, 2011.

⁵⁵ Moscow city 2012 budget, page 191.

local art commission.⁵⁶ Pocatello spends \$10,000 annually on its art council.⁵⁷

Government funding of arts is just bad news. It allows bureaucrats to decide what qualifies as art, and it discourages private philanthropists from donating to their favorite artistic endeavors.⁵⁸

Ralph Waldo Emerson once said that “Beauty will not come at the call of the legislature. . . . It will come, as always, unannounced, and spring up between the feet of brave and earnest men.”⁵⁹ Hopefully government officials at all levels will one day recognize this and end public funding for arts.

Unemployment insurance really hurts

In 1926, Samuel Gompers, a high-profile union leader, warned against the government’s entry into the unemployment insurance market. “If we should establish the so-called unemployment insurance, every action of our life, insofar as it refers to labor and employment, would be subject to the regulation and the discipline and decision of government,” Gompers said. “The whole activity to organize, to assert and to live our own lives would be subject to every petty or high official of the government.”

Before the federal government collaborated with states to operate the unemployment system, labor unions managed their own benefits programs to deal with jobless workers. Many in the early 1930s felt that the government had no constitutional authority to deal with unemployment.

That all changed with the Great Depression. Policymakers at the time created the unemployment insurance system to serve as a safety net for jobless citizens of the country.

What then was regarded as a safety net has been transformed into a lounging hammock for some people, even in highly self-reliant Idaho.

⁵⁶ Idaho Falls public records request, Oct. 4, 2011.

⁵⁷ Pocatello public records request, Oct. 6, 2011.

⁵⁸ Heritage Foundation, “Ten Good Reasons to Eliminate Funding for the National Endowment for the Arts,” April 29, 1997.

⁵⁹ Ralph Waldo Emerson, “Art,” in *Work* (Boston: Houghton Mifflin, 1883), p. 342.

Idaho is one of only 17 states that allows unemployed workers to collect as many as 99 weeks of jobless benefits. While the Gem State partners with the federal government to fund the nearly two years of payments, the cost is still too high for taxpayers and local businesses.

While policymakers feel they're doing something good the jobless, it really hurts those individuals who politicians supposedly want to help. When workers feel they can count on the state to fund their jobless time, their incentive to save a portion of their paycheck diminishes.⁶⁰ Additionally, how much more money would workers make if their employers didn't have to pay unemployment taxes?

What has the effect of Idaho's unemployment practices been? The state has bonded more than \$200 million to pay back funds it borrowed from the federal government to pay benefits.⁶¹ Local employers paying good wages, including a Nampa orchardist paying \$15 an hour, have been hard-pressed to find workers, even though Idaho's unemployment rate was more than 9 percent (according to one government measure, but probably as much as 17 percent by another) for most of the year.⁶² In addition, local employers are forced to pay some of the highest tax rates in the nation in order to fund this harmful program.⁶³

So, what's the answer? Cut state benefits, allow the private sector to deal with unemployment once again, and encourage self-reliance.

An \$82 million mistake

While we already have misgivings about the unemployment program in Idaho and nationally, costly mistakes just make the situation worse. According to a report released by the U.S. Department of Labor, Idaho paid about \$82 million in improper unemployment benefits between July 2008 and June 2011.⁶⁴

⁶⁰ Cato Institute, "Failures of the Unemployment Insurance System," June 2011.

⁶¹ *IdahoReporter.com*, "Idaho Senate moves forward with fixes to unemployment fund," by Brad Iverson-Long, March 8, 2011.

⁶² *IdahoReporter.com*, "Orchardist falls flat in trying to hire unemployed, underemployed workers," by Mitch Coffman, Oct. 14, 2011.

⁶³ Tax Foundation, "Unemployment Insurance Taxes: Options for Program Design and Insolvent Trust Funds," page 8.

⁶⁴ U.S. Department of Labor, <http://www.dol.gov/dol/maps/map-ipia.htm>.

Many of the erroneous payments, 34 percent, were made to recipients who returned to work but continued receiving money. Another 34 percent of payments went to citizens with “work search issues,” meaning that the department was unable “to validate that the individual has met the state’s work search requirements, which disqualifies the claimant from being eligible for benefits.”

While Idaho’s bad payment rate was mid-level compared to other states, we still think there should be tools in place to prevent lapses like this one. Idaho had an improper payment rate of 9.28 percent. Louisiana led the nation with an improper payment rate of 43.63 percent, though Indiana follows closely with 43.56 percent.

Bob Fick with the Idaho Department of Labor said that some of the money has been recovered and that his agency has 20 people dedicated to fighting fraud and recovering bad payments. Well, \$82 million here and \$82 million there, and pretty soon we are talking real money, to paraphrase the late Sen. Everett Dirksen. No taxpayer should accept people receiving something to which they are not entitled.

Go green while spreading the wealth around

This is one policy even the inventor of the Internet could applaud.

Al Gore would likely approve of Idaho allowing those homeowners adding insulation to their residence to deduct the cost of doing so from their taxes. It’s a policy that not only encourages (supposedly) people to go green, but also a small example of redistribution of wealth.

Not all taxpayers qualify for this credit, however. Idaho law says that only those who live in homes built prior to Jan. 1, 1976, are allowed to apply for the deduction.⁶⁵ That means that one part of the population is getting a break on taxes while others are not legally allowed to do so.

This deduction cost the state \$809,000 in 2011 and is expected to tally \$843,000 in 2012.⁶⁶

In the same fashion, the state also allows taxpayers to deduct the cost of installing an alternative energy device in homes through a four-year

⁶⁵ Idaho Code 63-3022B

⁶⁶ General fund revenue book, page 66.

period.⁶⁷ The alternative energy device credit doesn't come cheap, either. It cost the state \$395,000 in 2011 and is slated to cost the state \$411,000 in 2012.⁶⁸

Idahoans also benefit from a property tax exemption if they put a wind turbine on their property.⁶⁹

Again, while bureaucrats and politicians think they are doing the right and environmentally-responsible thing, they are actually manipulating the free market. Indeed, they're also forcing one taxpayer to pay for the economic choices of the other. That's just wrong.

Idaho Library Commission

In 2012, Idaho taxpayers will pay \$5.3 million to fund the Idaho Library Commission, an agency dedicated to helping public libraries collaborate on services.⁷⁰

We have to ask: Do we really need a state agency for this? While the commission is working through the worthwhile endeavor in linking Idaho's libraries in project LiLi, there's no reason local libraries couldn't handle this themselves through a consortium or association.

Taxpayers fund medical bills for lottery winner

That headline is not a joke. It really happened in Ada County last year.

Ada County Commissioner Sharon Ullman confirmed that situation last October and said that an unnamed male county resident won what she called a "six-figure" sum playing the lottery and then asked Ada taxpayers to cover upcoming medical expenses.

Federal health privacy regulations prevent the release of specific information about the case – including the resident's name, medical procedures or health costs to the county – so details are sketchy, but Ullman and other commissioners acknowledge the following scenario occurred.

⁶⁷ Idaho Code 63-3022C.

⁶⁸ Ibid.

⁶⁹ Idaho Code 63-602JJ.

⁷⁰ 2011 Senate Bill 1160.

The unnamed resident had an undisclosed amount of medical bills covered by the county's indigent health care fund prior to winning the lottery. After the medical procedure, commissioners placed a lien on him in an attempt to recoup some of the costs.

It is standard procedure for commissioners to place liens on those who use the indigent money to cover medical expenses. Ullman explained that her county usually recovers "about 10 cents on each dollar" it pays out in medical expenses.

At some point in time after his original medical procedure and placement of the liens, the male won a "six-figure" sum in the Idaho Lottery. After he was given the money, Ullman recounts, he spent it on old bills, family and other things, but did not repay any of his medical expenses to Ada County.

A few months following the lottery win, the man appeared again before commissioners to plead for more taxpayer funds for another medical procedure. That appeal was met with staunch resistance. "Of course, we denied the new stuff," Ullman said.⁷¹

As it turns out, the state lottery system is not required to check with counties for lien information prior to paying out winnings. David Workman, spokesman for the Idaho Lottery, explained that his agency is only required to check with the Idaho State Tax Commission and the Department of Health and Welfare (DHW) prior to paying out winnings.⁷²

The tax commission can place liens for back taxes, while DHW can do the same for missed child support payments.

There might be some movement to change the law to require the lottery to check with counties prior to paying winnings to recipients. "We need to work with the state on lottery winnings," said Ullman at the Aug. 30 commission meeting.

You'd think we wouldn't have to say it, but the lottery should not pay out to winners before checking out all public debts, including county indigent claims.

⁷¹ Phone conversation with IFF staff, Oct. 16, 2011.

⁷² Phone conversation with IFF staff, Oct. 17, 2011.

Cities tapping power bills to fill budgets

Some Idaho cities are creating or increasing fees on electricity bills that are pennies each month for residents but add thousands of dollars to city budgets for utility projects or other public works. Often, these spiked utility bill fees don't require a public vote.

On your monthly bill, you may see a small sum in a "franchise fee," which is collected by the utility but goes directly to the local government. City councils can unilaterally add a 1 percent fee on electricity, and can go up to 3 percent if they get the OK from voters or utilities. Several cities looking at raising fees, including Boise and Nampa, went around voters by getting Idaho Power to agree on fractional increases, though Eagle is considering asking its voters.

The increases in Boise and Nampa would bring in \$400,000 and \$130,000 a year, respectively, from residents to city budgets.⁷³ That money can go to public works projects, though not necessarily spending related to utilities.

"The general customer probably isn't aware that the franchise fee is a tax," Avista spokeswoman Jessie Wuertz said. "It tends to be a small number on a per customer basis, but when you roll it up with the number of customers in [a city], it could be a good chunk of tax money for the municipality, and we've collected it for them."⁷⁴

Officials with several cities and utilities said creating or raising fees isn't a trend, though several cities are looking at new or higher fees for more revenue.

Across Idaho, 87 cities have electricity franchise fees. Most are at the 1 percent level, including one city that added a fee this year, Rathdrum in north Idaho. Ammon in southeast Idaho also added a 3 percent fee this year. New Plymouth in southwest Idaho boosted its fee to 1.5 percent.

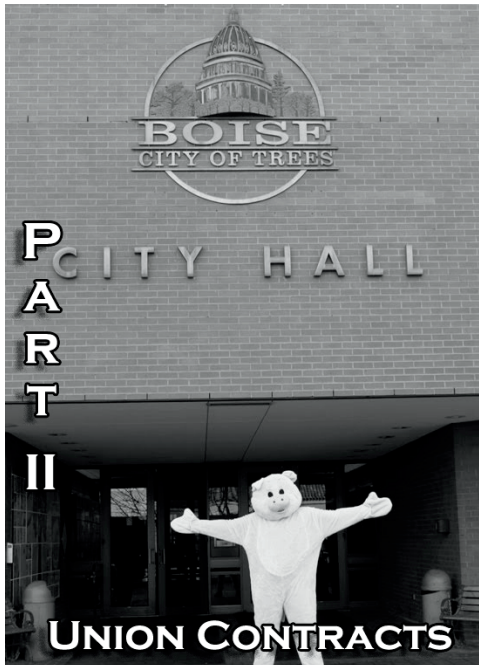
⁷³ *IdahoReporter.com*, "Some Idaho cities eye raising electricity fees," by Brad Iverson-Long, July 26, 2011.

⁷⁴ *Ibid.*

“It’s pretty common for a city to have a franchise fee,” Rathdrum city manager Brett Boyer said. “The other larger cities around us all have franchise fees.”

While Idaho Power agreed to the fee increases in Boise and Nampa, officials say they want more cities to ask voters if they’re willing to hand over more money. “The company is asking the cities to go to approval of the voters,” said Layne Dodson with Idaho Power, citing the company’s concern about rising electricity bills.

Utility fees are just a sneaky way for cities to accrue more money from residents. Most people don’t even notice it, but you can be certain, we have.



In 1955, George Meany, the former president of AFL-CIO, said, “It is impossible to collectively bargain with the government.” That shouldn’t be surprising, since FDR was also against government union activities.

Said FDR, “All government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service.” Oh well.

Fast forward to the 21st century, and we note that unions and government agencies negotiate all the time. For police and fire unions, such negotiations take place in secret and contractual obligations on the part of taxpayers, while part of the public record, are rarely disclosed. It should then be unsurprising that many of the expensive abuses taking place in the government sector come at the hands of local unions, as you will find in this section of our report.

Rather than working, some city employees conduct union business

Master contracts negotiated in the cover of closed-door meetings often lead to pork that hurts taxpayers. The contract between the city of Caldwell and its fire union is no different.

A provision in the agreement allows certain firefighters to conduct union business without losing any pay. Essentially, taxpayers in Caldwell are funding union activity and they probably don't even know it.

Union firefighters are allowed to attend conferences, association trainings and conventions, as long as the time is "reasonable."⁷⁵

Boise city also permits representatives of its fire and police unions to attend to association business without losing pay.⁷⁶ Idaho Falls, too, gives its union firefighters taxpayer-funded time off for conventions.⁷⁷ Coeur d'Alene permits as many as 200 paid hours each year to be spent on union business.⁷⁸

Is it too much to suggest that firefighters be paid to, you know, put out fires and perform their fire-related duties, not run the union?

Only firefighters deserve raises

No city employees in Caldwell were given raises for 2012 due to economic circumstances, with the exception of firefighters. Why? Because the firefighters are members of a union, of course!

⁷⁵ Caldwell city fire master contract, Article 7.

⁷⁶ Boise city master fire and police contract, Article 2, Section F.

⁷⁷ Idaho Falls master fire contract, Article IV.

⁷⁸ Coeur d'Alene city police contract, Article XXVII.

The agreement between the city and the fire association gives firefighters automatic raises, even in hard times.⁷⁹

According to the Caldwell city clerk, a settlement agreement between the city and the union ended in firefighters each getting a yearly raise of \$1,105.⁸⁰ In all, the special raise for the firefighters cost the city \$40,000 in extra pay this year.

Workers who didn't get raises were given 58 extra hours of paid time off in an effort to be fair to all employees.

The Cato Institute has written that public sector unions often contribute to government workers having higher wages and benefits than private sector employees, and the Caldwell fire association shows why this happens.⁸¹

Boise has its own union lobbying force

Of course, some government employees are paid to put out fires and break up fights. So why shouldn't those skills be put into use at the Statehouse?

The master contract between the city of Boise and the fire and police unions allows union employees "reasonable" time off to lobby state lawmakers as long as Boise city is a benefactor as well.⁸² That's so awesome.

This is just another way that unions can use taxpayer funds to influence decision-making in their own favor – and at the expense of those of us paying the bills.

Fired for being the new guy

In the private sector, it's often the most productive employees who get promoted, increases in pay, and bonuses. It's the less-efficient

⁷⁹ Caldwell city fire master contract, Article 13, Section A.

⁸⁰ Caldwell city public records request, Nov. 15, 2011.

⁸¹ Cato Institute, "Public Sector Unions and the Rising Costs of Employee Compensation," winter 2010.

⁸² Boise city master fire and police contract, Article 2, Section F.

employees who are skipped when promotions and raises come and fired for not being as productive as other workers.

But it's not that way in government.

The Boise City Police Department, Coeur d'Alene Police Department and the Idaho Falls Fire Department mandate that regardless of job performance, seniority is the sole determining factor in reduction-in-force decisions.⁸³ If layoffs come, less-productive but more senior employees keep their jobs while younger, more zealous workers can be laid off thanks to a provision in the police contract. This, of course, results in more expensive police and fire employees keeping their jobs, even if the end result does nothing to benefit public safety.

Six figures for government work

We love our police officers and other first responders and appreciate the work they do, but the pay some of these folks get it a little out of hand.

In 2011, 33 Boise police officers made more than \$100,000 per year. The group made a combined \$3.5 million last year.⁸⁴

Show up for work and get a bonus

We feel that public employees shouldn't be rewarded simply for showing up for work. That's not how the private sector works.

In Idaho Falls, firefighters meeting certain requirements are given a longevity bonus, or money for simply being employed for a certain length of time.

First-, second-, and third-year firefighters are not eligible, but fourth-year employees receive \$260 for that year, a number that continues to grow until it hits \$2,080 annually.⁸⁵

Public employees should be paid based on the productivity and service to the public and nothing else. Bonuses simply for coming to work are an outrage and a practice that should be abolished.

⁸³ Boise city master fire and police contract, Article 6, Section F and Idaho Falls master fire contract, Article VII, Section 1.

⁸⁴ Boise city public records request, Oct. 31, 2011.

⁸⁵ Idaho Falls master fire contract, Appendix B, Longevity program schedule.

Automatic raises in Coeur d'Alene

Speaking of being paid for the work produced, that's exactly the opposite of what's happening in Coeur d'Alene. The city mandates that most police officers receive automatic raises, again regardless of performance or economic circumstances of the city.⁸⁶

The city guarantees yearly 5 percent raises for officers for the first five years of their careers. Additionally, officers receive 5 percent increases in years seven and nine.

Let's us reiterate that we don't mind paying our officers and paying them relatively well, but their salaries should be based on performance and not on artificial factors and provisions in master agreements.

We have really smart police officers

Coeur d'Alene might be able to boast that it has some of the smartest police officers in the state. The city, in its contract with the police union, gives raises based on college degrees earned by officers.

Officers who earn an associate's degree receive an extra 19 cents per hour, while those with bachelor's degrees receive 37 cents per hour added to pay.⁸⁷ Those who earn a master's receive an extra 47 cents an hour.⁸⁸

While those amounts may not sound like a lot of money, it can add up. An officer can earn an extra \$395 a year with an associate's degree or \$769 with a bachelor's.⁸⁹ A master's degree will garner an officer an extra \$977 annually.⁹⁰

In addition, Coeur d'Alene agrees to fully reimburse college courses for union officers, providing that employee earns an "A" or "B" grade in the course.⁹¹ If an officer earns a "C" grade, the city reimburses 80 percent of the course cost. The course must also relate somehow to an officer's job description.

⁸⁶ Coeur d'Alene master police contract, Article V, Section 2.

⁸⁷ Coeur d'Alene master police contract, Article V, Section 4.

⁸⁸ Ibid.

⁸⁹ Education increase for each degree level based on 2,080 annual working hours.

⁹⁰ Ibid.

⁹¹ Coeur d'Alene city police contract, Article XXVI.

Coeur d'Alene budgets at least \$9,000 for this expense annually.⁹²

As with other contractual provisions we find in contracts statewide, this one exists simply for the purpose of lining the pockets of the union, not for the benefit of public safety.



If there is one part of government that is screwing up the rest, it is the Department of Health and Welfare. No offense to our friends who work for the agency. They mean well. The problem with the agency is not its people. It is the fact that it is larded with government programs, often drowning under the weight of so-called federal government partnerships that mandate the state agency behave and run programs in a certain way. Such mandates are expensive, and it results in less money for the rest of state government -- from education to public safety.

If lawmakers are looking to cut the size of government – if they're looking for places to save in order to fund things like, say, road repairs, then consider the enormity of the Department of Health and Welfare. And figure out ways to slash it down in size before it is too late.

⁹² Ibid.

Let's implement an unconstitutional federal law – even as we're suing to block it

If you're looking for the biggest example of government waste – and an opportunity for lawmakers to stop it – consider the proposal for the state of Idaho to develop its very own health insurance exchange. What is a health insurance exchange, you ask? In short, it's an Internet portal and one-stop-shop where people can compare health insurance policies and make wise and careful decisions about which health insurance policies to buy. If only such a thing existed in the private sector. What's that you say? It already does?⁹³ Huh. And more privately-run health insurance exchanges are coming online around the nation.⁹⁴ Why would the state want to compete against the private sector?

It's because under the health reform law, if the state doesn't create its own health insurance exchange, the federal government will create one itself. To convince states that it is in their best interest to do this, the federal government is offering all kinds of money; Idaho got a \$20 million federal grant to install a state health insurance exchange in the state.

While putting up this money, the federal government claims Idaho will remain in "control" over this state-operated exchange. In order to believe this, of course, you have to ignore the fact that the federal government issued 200 pages of regulations – rules that use the word "require" 628 times, "shall" 22 times and "must" 439 times.⁹⁵ Yup, sounds like control to us.

But hey, if you still believe in the health insurance exchange idea, perhaps you'd be thrilled with the idea that the state exchanges are the only way for the federal government to distribute half a trillion dollars in new entitlements to help people pay for health insurance premiums.⁹⁶ Or maybe the idea that the state will have to impose new taxes and fees to maintain the exchange is an idea that sits well with you. It doesn't with us.

Idaho has already wasted a ton of money trying to create a health insurance exchange. This is a losing proposition for the state regardless

⁹³ There are several websites that do this, but *ehealthinsurance.com* is a noted example.

⁹⁴ "WellPoint, Nonprofits Invest in Private Insurance Exchange," *Wall Street Journal*, Sept. 20, 2011.

⁹⁵ Idaho Freedom Foundation testimony to the Idaho Healthcare Taskforce, Oct. 4, 2011.

⁹⁶ *Ibid.*

of how you frame it. Obamacare is unconstitutional and an affront to liberty. Implementing it is just adding insult onto a federally-administered injury.

On top of that, state officials can't seem to tell us exactly how much the exchange will cost to run.⁹⁷ The state has limited options to fund the exchange: Perhaps we'll go with surcharges on health plans or imposing fees on health insurance carriers to get the job done. Either way, the cost of the program will trickle down and force everyday Idahoans to pay more for health care and a new government bureaucracy.

We were told Obamacare and the health exchanges would reduce insurance costs.

We were told wrong.

Medicaid is a big, bloated government program that's getting bigger

During the 2011 legislative session, the media reported that big, bad lawmakers were cutting Medicaid by \$35 million and that all the sick kids wouldn't get their Band-Aids and Flintstone vitamins. In reality, lawmakers only cut the growth of the program and kicked in much more state money.

Medicaid is jointly funded by the state and the federal government, with the feds typically paying about 70 percent and the state paying the rest. In the past few years, due to the so-called stimulus package, the state saw an increased matching rate from the federal government, meaning lawmakers didn't have to pay as much for Medicaid.

When the money ran out – as it always does – the state was on the hook for more money. Last year, when the federal matching rate dropped by about 7 percentage points, the state had to scramble to cover the difference and lawmakers had to pony up an extra \$137 million for Medicaid.⁹⁸

⁹⁷ *IdahoReporter.com*, "State insurance director: We can't predict ongoing cost of health exchange," by Dustin Hurst, Nov. 17, 2011.

⁹⁸ 2011House Bill 341.

The rate could drop more, especially if federal government returns to fiscal sanity. That would leave the state on the hook for even more health and welfare spending.

Today, the state government spends \$437 million on Medicaid.⁹⁹ But what are we getting for our money? The answer is, not much. The Medicaid safety net has become a hammock, with many Idahoans staying entrenched in the system forever. In fact, the Department of Health and Welfare refuses to track how long people are utilizing Medicaid or finding ways to get people off government assistance. That needs to be a major concern of lawmakers.

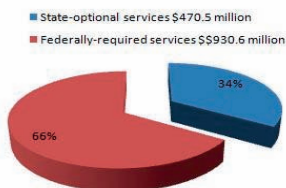
Public assistance that is too generous causes people to remain on public assistance rather than figure out ways to get off the public dole. Such entitlements appear to help, but in reality, the entitlements cause people to remain hostages to the very system that was originally set up to help them. Medicaid is that kind of charity. While there are certainly people who benefit from the state's long-term assistance, many others are being harmed by a system that perpetuates their continued enrollment.

The state is sometimes more generous than the feds

When it comes to spending, the state usually can't outdo the federal government, though we think we've found one exception.

In the Medicaid program, only a portion of the programs are required by the federal government, but the state can – and does – add to the number of feel-good health care offerings.

FY2010 Medicaid expenditures



In fiscal year 2010, the federal government provided \$930.6 million for Medicaid, making up 66 percent of the total budget. The state added another \$470.5 million for optional services.¹⁰⁰

⁹⁹ Ibid.

¹⁰⁰ Tom Shanahan email to IFF staff, Oct. 19, 2011

All of the state-optional programs are for adults because children's services are required due to special protection in federal law.

Tom Shanahan, spokesman for the Idaho Department of Health and Welfare, Medicaid's administering agency, believes the word "optional" is somewhat misleading. "Without many of these optional services, both the state and communities would be incurring far greater expenses and experiencing more social problems than we do today," Shanahan wrote.¹⁰¹

But that's because of a bureaucratic mindset that says only a government agency could be tasked with taking care of people. In reality, outside of government exists a wide array of charitable programs intended to help the needy. Believing that government is the only avenue for help, taxpayers must also ante up for the exploding costs of some of these programs.

Physical therapy, for example, has nearly doubled in cost since 2008 and now costs at least \$12 million annually.¹⁰² Needed funds for ambulatory surgical centers could jump 25 percent and cost more than \$25 million each year.¹⁰³

Money for adult prescription drugs make up a large share of costs. According to Shanahan, the state spent \$70 million on this expense in 2010.

Catastrophic is right when it comes to defining medical indigency

In a feel-good quest to take care of the residents of Idaho, the Legislature and counties administer the catastrophic health fund, which covers care for those without insurance.

This is an expensive program that eats up a great share of money and will continue to do so until lawmakers address some of the systemic flaws with this program.

¹⁰¹ Ibid.

¹⁰² Legislative budget book 2011, page 2-16.

¹⁰³ Ibid.

In 2011, the state's portion of the program cost taxpayers \$22,524,200.¹⁰⁴ In 2012, lawmakers appropriated \$22,267,700, but that won't be the total spending for the program this year.¹⁰⁵ As they have done for the past few years, lawmakers will likely approve millions more in public support for the program to cover the bills at the end of 2012.

Idaho counties are also on the hook for this expensive program. Counties, by statute, are required to pay the first \$11,000 in medical bills incurred by any one person using the fund through a year. The Idaho Association of Counties says that in 2010, the latest data available shows that counties paid more than \$13 million in health care costs as part of this program.¹⁰⁶

The program is set up as an open-ended entitlement so that anyone can walk into a hospital, access care and leave without ever paying the bill. This cannot be fixed by anyone else other than lawmakers, or so says fund director Roger Christensen.

"Inasmuch as the definition of medical indigency is statutory, the Catastrophic Health Care Cost program has no ability to control who qualifies and who does not qualify for assistance," Christensen wrote.¹⁰⁷

And it never will, so long as policymakers believe it is the responsibility of taxpayers to write blank checks for this pricy program.

A federal mandate for old people

We love our grandparents just as much as anyone else, but we hardly think they need a state commission to deal with their special needs.

The Idaho Commission on Aging does just that. The commission needed \$13,397,500 in 2011 to do its work.¹⁰⁸ Lawmakers gave the agency slightly less in 2012, appropriating \$12,684,200 for the year.¹⁰⁹ But just what does the commission do? Nothing. Sort of. The commission is actually an administrative unit which oversees six local authorities on aging. The commission delivers no services, but monitors

¹⁰⁴ 2011 House Bill 329, 2010 Senate Bill 1442.

¹⁰⁵ 2011 House Bill 329.

¹⁰⁶ Email from IAC staffer Kathryn Mooney to IFF staff, Sept. 30, 2011.

¹⁰⁷ Christensen letter to Division of Financial Management, June 30, 2010.

¹⁰⁸ 2010 Senate Bill 1176.

¹⁰⁹ 2011 Senate Bill 1432.

the six local agencies to make sure they do. Even then the local agencies contract with private companies to ensure seniors receive services.

The truth is that the commission is simply an administrative middleman placed there by the federal government. Under the 1965 Federal Older Americans Act, each state is required to have an agency dedicated solely to aging.

The commission was given \$12.6 million to operate for 2012. We know the state wouldn't save the full amount by cutting the commission, but there would be some savings found in reducing personnel costs.

The reason there's a commission for older folks is so lawmakers can feel good about claiming they're helping older folks. It doesn't really matter what the outcome is, if any at all. What's next, a government program just for kids?

Why, it's a government program for kids!

While policymakers likely created the Children's Health Insurance Program (CHIP) with the admirable intentions of helping kids who couldn't help themselves, the program has turned into another government-funded entitlement system that only encourages reliance on the nanny state.

According to data from state officials, CHIP covered 13,391 kids in 2011, at a cost of more than \$47.5 million.¹¹⁰ Projections predict the program will cover 13,512 kids this year, at a cost of more than \$50 million.¹¹¹

In 2011, taxpayers spent more than \$3,500 per child on SCHIP. That number will jump to \$3,700 per child if projections are accurate.

There is little evidence to show that CHIP does anything to improve public health and much data showing that dollars spent elsewhere – in areas of education and targeted health programs, among others – are more effective in providing care.¹¹²

¹¹⁰ Department of Health and Welfare information request, Nov. 23, 2011.

¹¹¹ *Ibid.*

¹¹² Cato Institute, "Does SCHIP work?" by Michael Cannon, Feb. 2, 2009.

Instead of providing insurance to needy and uncovered children, a good share – about 60 percent – of the kids enrolled in the program had insurance coverage prior to taking part in CHIP.¹¹³ In other words, government is stepping in to provide insurance to kids who already have insurance.

CHIP, like other do-good government programs, encourages participants and their families to stay in poverty. Low-wage earners who increase their pay and exceed program income limits can sometimes cancel out their larger salary with the lost government benefits.¹¹⁴

Fit and Fall failure

In yet another example of government-funded endeavor to feel good, the Idaho Department of Health and Welfare offers Fit and Fall Proof classes to prevent adults older than 65 from falling down.

The classes feature rehabilitation-like exercises designed to reduce the risk of seniors falling. In fiscal year 2010, more than 5,700 seniors, or about 2.9 percent of Idaho's 65-and-over population, took part in Fit and Fall Proof.¹¹⁵

While this program may help cut down on costs in the medical system and minimizes unneeded use of Medicare, we would also point out that the private sector already offers services to help prevent old folks from falling down.¹¹⁶

Interestingly enough, the testimonials section on the Fit and Fall Proof website shows how easily the private sector could run this program (because it's seemingly already doing it). "I have attended the 'Fit and Fall' class sponsored by Gold's Gym since its inception, and would recommend it to anyone in the older generation," said 92-year-old Robert from Lewiston on the site. "I feel had I not attended these classes faithfully, I might be in a wheelchair today!"¹¹⁷

¹¹³ Ibid.

¹¹⁴ Ibid.

¹¹⁵ Based DHW's 2010 participation numbers and 2010 U.S. Census data with 194,668 over-65 Idaho residents.

¹¹⁶ Department of Health and Welfare, 2010 Facts, Figures, and Trends, page 97.

¹¹⁷ Fit and Fall Proof website, <http://1.usa.gov/rk8lib>.

So, it looks like the private sector is already offering programs for seniors and the government is footing the bill. If the private sector already offers programs to help seniors, why are taxpayers supporting this program?

This program helps a small number of people and is an unnecessary burden for taxpayers. If seniors want classes, they can get them at local gyms.

Government can replace a phone book

To find a day care, most folks would check Google, a phone book or discuss with friends affordable and quality options for child supervision.

The Idaho Department of Health and Welfare insists that government needs to be involved somewhere in that process, however. Through the Idaho Care Line and IdahoSTARS, the state provides a referral service for parents searching for a day care. To be included, day care providers must meet certain guidelines, including attainment of local or state licensure.

The program isn't incredibly expensive, but it costs more than the use of phone books, Google or word of mouth in finding appropriate day care. The program has cost taxpayers \$469,000 annually in the past two years.¹¹⁸ In 2010, the agency completed 2,496 referrals, or about \$187 each.

Babysitting your tax dollars

Unbeknownst to many Idahoans, the Department of Health and Welfare provides a subsidy to some low-income families to help pay for day care.

In order to qualify, families must be below 135 percent of federal poverty level. That means a family of three must earn less than \$1,932 and a family of four can take in less than \$2,323 each month to qualify for day care assistance.¹¹⁹ A family of eight could earn up to \$46,668 and still qualify for day care money.

In 2010, the program served 6,632 children at a cost of about \$19.6 million, meaning each family averaged approximately \$3,000 in state

¹¹⁸ Department of Health and Welfare public records request.

¹¹⁹ Department of Health and Welfare ICCP income limits chart, <http://1.usa.gov/uyR2c9>.

support.¹²⁰ In 2011, the program subsidized 6,418 kids at a cost of \$19 million.¹²¹ Program enrollment has dropped in the last few years; the sagging economy has meant fewer adults working and a drop in need for state-subsidized day care.

While it is certainly noble for the state to attempt to help parents with child care, this is just another program that could be run – probably more efficiently – by private parties. State subsidies only increase reliance on government and less dependence on communities, families and churches.

Low-income folks get help with home repairs, too

Along with subsidized health care, low-income residents of Idaho can also get help making repairs to their homes in hopes that they might save energy and money.

In 2010, the state – with an extra \$18 million in stimulus money – spent more than \$25 million on this program while serving 3,365. That year the average family received about \$6,857 in home upgrade support.¹²² In 2009 and sans the stimulus money, the program cost the state about \$12.5 million and served 1,568 households.¹²³ Each household received about \$8,000 in money for upgrades that year.

We can pay for your home phone, but not your wireless

Each year, Idaho spends millions on the Telephone Service Assistance Program, which helps subsidize telephone bills for low-income people in the state. In 2010, for example, the government spent \$3.4 million to help pay telephone bills for 20,026 people.¹²⁴

The program is funded through fees assessed to telephone companies and their customers.

¹²⁰ Department of Health and Welfare, “Facts, Figures and Trends, 2010-2011,” page 68.

¹²¹ Department of Health and Welfare public records request, Nov. 30, 2011.

¹²² Department of Health and Welfare, “Facts, Figures and Trends, 2010-2011,” page 78.

¹²³ *Ibid.*

¹²⁴ Department of Health and Welfare, “Facts, Figures and Trends, 2010-2011,” page 79.

But what's interesting is that the Department of Health and Welfare projects that each year about 6 percent of program participants will drop out of the system. Why? Because the program doesn't provide money for wireless phones. As participants switch from landlines to wireless, fewer people will receive phone subsidies.

So, at least 6 percent of participants each are able to leave the program and pay their own cell phone bills, often higher in price than landlines. What are the politicians trying to prove by maintaining this program?

We feed the pockets of bureaucrats before the needy

The food stamp program is perhaps the largest single example of how government's good intentions can get in the way of results.

While many see food stamps as a way of getting by during tough times, there are other options, such as churches, food pantries, local charities and food banks.

But still, the government feels the need to get involved in the business of helping people and often bungles the task. Instead of providing as much food as possible to the needy, government lines its own pockets first and passes what's left on to those hurting in the country. The Cato Institute says that administering food stamps costs about \$5.5 billion annually.¹²⁵

"That means that about \$5.5 billion of the 'benefits' of the program go to government administrators, not to low-income families," wrote Cato analyst Chris Edwards. "Those administrative costs – equal to more than 10 percent of the value of food stamps distributed – are split 50-50 between federal and state taxpayers."¹²⁶ In Idaho, it costs \$18 million each year to administer food stamps, a cost split evenly by the state and the feds.¹²⁷

Instead of encouraging self-reliance or community giving and philanthropy, food stamps simple encourage reliance on big government.

¹²⁵ Cato Institute, "Food Subsidies," by Chris Edwards, July 2009.

¹²⁶ Ibid.

¹²⁷ *IdahoReporter.com*, "Food stamp ID bill stopped due to threat of loss of federal money," by Dustin Hurst, April 28, 2011.

And that's exactly what we are seeing across the nation, but especially here in Idaho. In June 2007, just more than 87,000 Idahoans took food stamps, a number that increased to more than 234,000 in September 2011.¹²⁸ One in every seven Idahoans is a food stamp recipient.

The state was even rewarded for adding as many people as it could to food stamp rolls in 2010. The federal government awarded Idaho \$1.2 million for its ability to get already-eligible state residents on the program.¹²⁹ So, the feds are rewarding the state for swelling the ranks of food stamps recipients.

You can't make this stuff up.

The federal government's involvement in food stamps hurts local charities. Because many people believe the feds are the best game in town in terms of providing food for poor folks, they close their checkbooks to charities and food pantries, believing their taxes will suffice.

And who knows how much of the money goes to people who either don't really need it or trade their food money in exchange for alcohol, cash or cigarettes. In Idaho, only about 20 percent of food stamp debit cards have the recipient's name on them and stores are not required to check ID on food stamp purchases.¹³⁰

¹²⁸ *StateImpactID*, "Idaho's Food Stamp Rolls Nearly Triple in Four Years," by Molly Messick, Nov. 30, 2011.

¹²⁹ *IdahoReporter.com*, "Like Oregon, Idaho got food stamp bonus money," by Dustin Hurst, Sept. 30, 2011.

¹³⁰ *IdahoReporter.com*, "Food stamp identification bill runs into problems on House floor," by Dustin Hurst, March 22, 2011.



What do you get when you mix elected officials' desire to fund projects with the illusion that they're doing it at no cost to taxpayers? Two words: Urban renewal. It sounds as harmless as rainbows, butterflies and puppy dogs. Were it to be accurately named, it could be described as the "tax revenue diversion project."

How does it work? As property values in an urban renewal district go up, the tax revenue from the increased property value is diverted to the urban renewal district -- where the money is used for everything from arts projects to the construction of multi-million dollar buildings. That's money, by the way, that would have gone to various units of government, which are then forced to raise their levy rates, resulting in higher taxes for everything else.

As much as \$52 million each year is diverted away from highways, education, police and fire protection in order to fund urban renewal.¹³¹ Indeed, sometimes city officials will complain they don't have enough money for police and fire, while the city's urban renewal arm is spending money on arts and beautification projects. Many urban renewal projects have the equally bad effect of allowing government officials to pick the economy's winners and losers by deciding which businesses deserve

¹³¹ Email from tax commission senior staffer Gary Houde, November 3, 2011.
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special incentives, grants and loans. This causes many businesses to have their taxes used to finance their own competition.

For the last two years, we have tracked how local governments have been using urban renewal to convince taxpayers they're getting something for nothing. In reality, urban renewal carries a heavy cost.

Caldwell's super-secret hair care formula

The Caldwell East Urban Renewal Agency is spending \$30,000 in taxpayer funds on a subsidy for a hair salon in the city. It's a deal that's so awesome, city officials insisted the hair salon keep quiet about it.¹³²

A contract between the urban renewal agency and the Simply Stylin' Salon signed June 7, 2011, allows the city to spend \$30,000 – an initial \$15,000 in 2011 and the same amount in 2012 – if the business meets certain guidelines.

The contract also contains a provision that prohibits the salon and its owners from issuing press releases or making other public announcements about the deal without prior consent of city officials. Urban renewal boss ElJay Waite defended the secrecy provision as a way to prevent unfounded rumors about the deal from spreading. "We want to know information is reasonable before it hits the press," said Waite.¹³³ If this was such a stellar deal, the government wouldn't need to put a gag order in place restricting information getting out.

As part of the contract, the business is required to "beautify the city of Caldwell." Mandy Denham, owner of the business, said the money has been used to improve the exterior of the shop.¹³⁴

Also included in the agreement is the provision that Denham's company provides three "eligible" jobs, though neither Denham nor the urban renewal officials defined what is meant by the term "eligible."

¹³² Agreement between CEURA and Simply Stylin' Salon, June 7, 2011.

¹³³ *IdahoReporter.com*, "Caldwell urban renewal spending \$30,000 on hair salon to 'beautify city,'" by Dustin Hurst, September 22, 2011.

¹³⁴ *Ibid.*

The urban renewal district specifies in the contract that the money is to make the downtown Caldwell area “more attractive for private development and investment and bring customers for existing businesses to the downtown area.” Waite also says “that offering financial incentives for capital improvements based upon demonstrable job creation in the area encourages either existing businesses to expand or new businesses to enter the area.”¹³⁵

In reality, this is pork in one of its purest forms: It's an attempt by city officials to make it look like they're making \$30,000 in improvements in downtown Caldwell. Actually, they're taking \$30,000 from local businesses, making it harder for them to pay for their own repairs and improvements, and giving it to a business of the city's choosing.

What the city is really doing is a form of legal plunder -- using the law as a means to take from money from some taxpayers and give it to others. If you or I did that, it would be called theft.

Pocatello picks Costco as deserving of taxpayer assistance

If giving \$30,000 to a hair salon seems like a bad idea, how about giving taxpayer assistance to a company whose profits ran in the hundreds of millions of dollars? In 2008, the Pocatello Development Authority gave \$1 million to Costco to subsidize its move to the city.

A contract between the development authority and Costco shows the company received \$854,104 in taxpayer funds from the Pocatello urban renewal agency.¹³⁶ The money, the document states, was “for reimbursement of cost incurred by Costco for the development of infrastructure to bring the Costco site into compliance with city requirements and for the installation of public improvements at the proposed site.”

The deal also provided funds to PEG Development Corporation, a Utah-based construction firm. The money allotted to PEG was for demolition, storm drainage and sewer system construction.

¹³⁵ *Ibid.*

¹³⁶ PDA Economic Development Grant Agreement, April 18, 2008.

The document gives some hints as to the development authority's reason for enacting the deal. The contract states bringing the big-box store to town would "enhance the retail climate and help prevent retail leakage to other venues."¹³⁷ Retail leakage occurs when funds earned in a certain locality are spent elsewhere.

The contract also says Costco would bring the equivalent of 90 full-time jobs, which would pay "significantly higher than minimum wage."

Of course, the taxpayers subsidizing this endeavor include Costco's local competitors. Whether it's another big-box store in Pocatello, like Fred Meyer, or one of Pocatello's countless mom and pop retailers, they're the ones who have unwittingly fronted Costco the money to move to Pocatello and compete against them.

Rep. Kathy Sims, R-Coeur d'Alene, believes that companies should not receive government subsidies in the name of economic development. "I think the only things urban agencies should subsidize are improvements to things the people will own," Sims said. "It's taxpayers' money and it should only be spent on things taxpayers will own. Private enterprise can take care of private enterprise."¹³⁸

She's right, of course. Pocatello city officials pretend they're economic geniuses by giving out taxpayer money to lure Costco to town. But that money didn't just fall from the sky. No business should be forced to subsidize its own competition. The question for Pocatello residents is this: Is the Costco project more representative of free markets, capitalism and American economic ingenuity, or is it more akin to corporate welfare, government-enabled cronyism and market manipulation?

More than \$9 million of fun at the Caldwell YMCA

Victor Willis, the original lead singer of the Village People, gets about \$40,000 a year in royalties from the group's 1976 song "YMCA."¹³⁹ Willis thinks he's entitled to more money, and that's why he's suing over the copyright of the hit single. Willis might have had better financial fortunes

¹³⁷ Ibid.

¹³⁸ Sims interview with IFF staff, September 28, 2011.

¹³⁹ *New York Times*, "A Village Person Tests the Copyright Law," August 16, 2011.

if he just struck a deal with the city of Caldwell, whose urban renewal agency keeps subsidizing the newly-built YMCA facility, and will keep doing so for several more years.

The contract between Caldwell East Urban Renewal Agency and the YMCA, which runs until Feb. 1, 2014, is worth a total of about \$9.7 million,¹⁴⁰ a tad more than the \$1.4 million Willis has gotten after 35 years of crooning about that place where a young man can go “when you’re short on your dough.”

The agency paid the YMCA more than \$1 million annually starting in 2006 and will continue to do so until 2013. In the final year of the deal, the YMCA will receive \$741,562 in taxpayer funds.¹⁴¹

There will be no direct payback of the money. Section 9 of the agreement between the agency and the YMCA states the non-profit will have the right to purchase the facility from the city at a cost of \$100.¹⁴² Meanwhile, there are at least four private gyms that are now competing against the taxpayer-subsidized YMCA. Talk about a competitive advantage. Some would argue that because the YMCA is a non-profit entity, that this redistribution of wealth is acceptable. It’s not.

The YMCA might provide great help to the community, but this move by the urban renewal agency is forcing each city resident to becoming an unwitting philanthropist.

Government has no business deciding which charities residents support. Nor should government be subsidizing competition with the private sector. But if the Y wants to crank up the Village People over the building’s loudspeakers, that would be OK. Victor Willis could use the boost in his royalty check.

¹⁴⁰ Agreement between YMCA and Caldwell East Urban Renewal Agency, Section 5.A, signed July 22, 2004.

¹⁴¹ Ibid.

¹⁴² Agreement between YMCA and Caldwell East Urban Renewal Agency, Section 9.A, signed July 22, 2004.

Nearly half-a-million dollars for theater restoration in Sandpoint

The Panida Theater, an antique show house in the north Idaho town of Sandpoint, has been described as a “downtown jewel for many residents” of the city.¹⁴³

That must be why Sandpoint Urban Renewal Agency commissioners committed nearly \$500,000 to a campaign to restore the exterior of the theater.

Documents show that in January of 2011, urban renewal officials pledged \$450,000 to the “Panida Forever” restoration campaign.¹⁴⁴ The money will be paid in \$90,000 installments through a five-year period. Karen Bowers, the agency executive director, said the money will improve the downtown Sandpoint area. “Because (the agency’s) intention is to focus on downtown Sandpoint, we will use the funds this year to completely facelift the Panida and the Little Theater and, in so doing, polish, shine and brighten up the gem that she is,” Bowers said. “It’s long overdue.”¹⁴⁵

Perhaps Panida is a wonderful facility. If so, the community should decide whether -- and at what level -- to support it. In this case, however, the urban renewal district is substituting its judgment for that of the community, and electing to shovel money into the Panida whether the community wants to do so or not -- simply because the money exists to do it.

Pocatello taxpayers invested in the Museum of Clean

The city of Pocatello’s urban renewal agency, perhaps believing that cleanliness is next to godliness, decided to invest some taxpayer cash in clean. The agency funneled \$100,000 in a project to help open the Museum of Clean, now located in that southeast Idaho town.

¹⁴³ *Bonner County Daily Bee*, “Panida gets starring role in SURA grant,” by Cameron Rassmusson, June 23, 2011.

¹⁴⁴ SURA meeting minutes, January 11, 2011.

¹⁴⁵ *Bonner County Daily Bee*, “Panida gets starring role in SURA grant,” by Cameron Rassmusson, June 23, 2011.

Businessman Don Aslett decided to build a museum dedicated to the history of cleaning. Aslett runs a home cleaning supply company. The city's urban renewal agency, the Pocatello Development Corporation, pledged \$100,000 for the project, with the funds going to build a public park and the rest dedicated to building more parking for the museum.¹⁴⁶

While it may seem like Aslett and his folks are building a public park, the agreement notes that space is on private land. Essentially, the city is paying for landscaping and a parking lot for a private entity.

Aslett employee Tobi Alexander says the museum and the accompanying park are “stunning” and that they have vastly improved the block on which they sit. “We have turned this into a productive block,” Alexander said.

We wonder if taxpayers in Pocatello would like the city to pay for landscaping in their yards, too.

Social engineering messing with real engineering

In September, the city of Boise announced that Zions Bank and the Gardner Company, a Utah-based construction firm, had reached an agreement to fill the Boise “hole,” a long undeveloped plot of land at the corner of 8th and Main streets in downtown Boise.

What was not mentioned was that the Capital City Development Corporation, Boise's urban renewal agency, had pledged up to \$4 million in public money for the project.¹⁴⁷

John May, chair of the agency, said that about half of the money was ticketed for site improvements, including removing the existing – yet unfinished – structural cement in the pit.

The other half, May explained, is an incentive for Gardner and Zions Bank. If developers go forward with their plans for the 253,000 square-foot building the two companies have proposed, they will receive the full amount. If the two parties decide to go smaller with the plan, they will

¹⁴⁶ Agreement between PDA and Varsity Square LLC, December 30, 2009.

¹⁴⁷ Capital City Development Corporation minutes, September 22, 2011.

receive less and the final amount received will be proportional to the size of the building constructed on the site.

So, what essentially has happened is that the bureaucrats at the urban renewal agency have determined that the 253,000 square-foot building is just the right size for the site and taxpayers will reward the investors in the project accordingly. This is an example of government manipulating the free market, creating an artificial incentive for a company to build a certain size building at taxpayer expense. It's hard to say what impact that decision will have in the future – on downtown office vacancy rates, rental prices, parking and other economic factors. But what we do know is that good or bad, taxpayers are footing the bill.

Program pares plundering pigeons

We would never try to pigeonhole people in office. But it looks like the Twin Falls urban renewal commissioners believe that one business's pigeon problem is something the whole community should pitch in to fix.

As part of its program to upgrade building facades in Twin Falls, the Twin Falls urban renewal agency gave Jagged Edge, a hair salon, \$3,022 to help eradicate problem pigeons.¹⁴⁸ The owner of the business, Sheril Patheal, asked for the money to encase the underside of her building in order to keep pigeons from roosting there.

Jagged Edge matched the urban renewal funds for the bird removal project. Typically, we'd call this "pork barrel" spending, because it's an expenditure designed to benefit but one business owner, but the description seems to fall short here.

Lobbying counts as urban renewal, right?

The idea of urban renewal districts is to clean up blighted sections of cities to create a more business-friendly atmosphere.

So why is the Ketchum Urban Renewal Agency spending money lobbying? How is this removing blight in downtown Ketchum?

¹⁴⁸ Twin Falls urban renewal district meeting minutes, May 11, 2011.

Records show taxpayers spent more than \$6,000 in fiscal year 2011 on this expense.¹⁴⁹ Gary Marks, the agency's executive director, said the money went toward monitoring of legislative actions and certain legislation.

Sounds like the blight cleanup is going well.

Urban renewal dollars for public relations

The Meridian Development Corporation says it "is committed to the economic stimulation and expansion of downtown Meridian into a thriving area that provides opportunities in which to live, work, and play."¹⁵⁰

If that's case, how does money for two contracts with a Boise-based public relations firm fit into that commitment?

In the past year, Meridian's urban renewal effort has spent \$129,996 annually on two contracts with Red Sky Public Relations. The money, said Red Sky's Chad Biggs, was for communication efforts and other management tasks.

One contract, worth \$2,500 each month, allows Red Sky to handle all communication-related duties for the agency, including, as Biggs explained, "media relations, communication support, marketing communications, message development and public meeting notices."

The other agreement, worth \$8,333 each month, permits to Red Sky to serve as a "project manager" for the agency. "The project manager role is responsible for the day-to-day operation planning and management, program planning, strategic planning, board management, budget management and a number of other responsibilities as designated by the board," Biggs said.

Twin Falls also wants positive press for its urban renewal projects

Urban renewal projects are so great that agencies need to spread the word, right?

¹⁴⁹ Ketchum URA public records request, June 16, 2011.

¹⁵⁰ MDS mission statement on website.

That’s exactly what the Twin Falls Urban Renewal Agency has been doing for more than a year. The entity has a contract with Tracy Communications for press services, costing taxpayers \$1,450 each month.¹⁵¹ The contract began in September 2010 and was extended in May. The new agreement ran until November 2011.¹⁵²

Under the contract, Tracy is tasked with writing press releases, story pitches and coordination with other officials.

Taxpayer-funded training for ‘basic communication skills’

In Twin Falls, the urban renewal agency employs an executive director to handle all press inquiries and to coordinate media coverage, but that didn’t stop the urban renewal agency from approving \$1,400 for “board/staff communications training.”¹⁵³ Some of the trustees said that the training would help with “basic communication skills.”¹⁵⁴

Yikes. Shouldn’t those handling our tax dollars be well-versed in basic communication by now?

A few board members expressed concern that the board would essentially be duplicating existing efforts with the media training, but at least four commissioners out-communicated another three and approved the spending.¹⁵⁵

The gift that keeps on taking

Local and state officials celebrated in late 2010 when C3, a call center, opened in Twin Falls, bringing 300 jobs along with it.

Heck, even Gov. Butch Otter showed up the C3’s facility opening. Community leaders have hailed the decision to buy the building in which C3 is now housed, saying the move continues to “bear fruits” for the local economy.¹⁵⁶

¹⁵¹ Contract between TFURA and Tracy Communications, September 14, 2010.

¹⁵² Extension agreement between TFURA and Tracy Communications, May 10, 2011.

¹⁵³ Twin Falls urban renewal agency minutes, February 14, 2011.

¹⁵⁴ Ibid.

¹⁵⁵ Ibid.

¹⁵⁶ *Twin Falls Times-News*, “C3 to add 300 jobs in Twin Falls,” by Ben Botkin, August 4, 2011.

The problem is that the building keeps costing taxpayers money. A lot of money. The building cost \$766,000 to purchase in late 2010, but the money didn't stop there.¹⁵⁷

In June 2011, the Twin Falls Urban Renewal Agency spent \$26,827 applying a new seal coat in the parking lot and \$212,700 for a new roof for the facility. Agency officials said it was leaking during the prior winter.

The actual cost to fix the roof was \$37,000 higher than the highest projection crafted by the agency.¹⁵⁸

This is what happens when the government plays landlord. In addition to providing corporate welfare and competing against the private sector, the government has to help keep the roof over the heads of its tenants, which means ponying up money for costly repairs.

Urban renewal board chair Gary Garnand says the building was purchased with the bad roof. "The roof has already exceeded the 15-year lifetime expectancy and when you add the particularly long winters and wet springs we've had in the last couple of years the new covering becomes critical in order to protect the property and client we are housing in that building," Garnand said.¹⁵⁹

The roof, of course, belongs to taxpayers, who in this economy have enough trouble keeping a roof over their own heads. Remembering this little detail helps keep other government decisions in perspective.

Playing landlord in Mountain Home

In October 2011, the Mountain Home Urban Renewal Agency announced plans to purchase a building that formerly housed retailer King's with plans to bring "a national family branded retail store" into the space.

The agency spent \$235,000 on the building, which has been vacant for at least a decade.¹⁶⁰ But that's not the only cost taxpayers will have to

¹⁵⁷ Twin Falls urban renewal agency meeting minutes, January 11, 2010.

¹⁵⁸ Twin Falls urban renewal agency meeting minutes, February 8, 2010.

¹⁵⁹ *Twin Falls Times-New*, "Twin Falls URA approves roof for C3," June 4, 2011.

¹⁶⁰ *Mountain Home News*, "Urban renewal agency buys King's building," October 26, 2011.

pay to bring the new mystery retailer to town. Agency officials plan to spend between \$300,000 and \$500,000 to renovate the property.¹⁶¹

It should be noted, however, that news reports about the transaction pointed out that when the purchase was finalized, no formal lease had been signed with the new retail store.

Even if the lease is signed, we have to ask this: if the new retailer wanted to locate a new branch in Mountain Home, why did government have to get involved in the deal? And, how fair is it for tax dollars to subsidize one new-to-town retailer over another established one?

service.¹⁶² The camera sits on top of The Aspen Lofts and allows users to pan around and see all of downtown Boise.

There's no free lunch and there's no free Internet either

When government spends money to appease one group of people, it must, without fail, take that money from another segment of the population. There is simply no exception to this rule.

That's exactly what's happening in Ketchum, Caldwell and Meridian. Urban renewal districts in these three towns provide "free" wireless Internet in their respective downtown areas.

But free Internet access just isn't free. In fact, Ketchum spent \$43,768 on its Internet service between 2008 and 2011.¹⁶³ Meridian and Caldwell each spend \$1,800 annually to provide "free" Internet downtown.¹⁶⁴

Clearly, this "free" expense really does cost taxpayers. It's also costing businesses that offer either pay-for-connection Internet services or depend on customers walking through the door to use their free Internet and perhaps buy a cup of coffee. The reason "free" Internet exists in any community is so local elected officials can show how they're "giving" something to the community. And who doesn't like something that's free? It would be more interesting – and honest – if the communities were to

¹⁶¹ *Ibid.*

¹⁶² CCDC meeting minutes.

¹⁶³ Ketchum city public records request, October 17, 2011.

¹⁶⁴ Meridian Development Corporation public records request, November 1, 2011, and Caldwell city public records request, October 24, 2011.

send a bill to residents at the end of each month for the service that supposedly cost nothing to offer.

When you think urban renewal, you think bikes, right?

Somehow, urban renewal officials in the north Idaho town of Post Falls seem to think cleaning up blight also means putting in a bike path. It might be because the words “blight” and “bike” sound so much alike.

The path, proposed to be one-fourth of a mile long, could cost as much as \$1 million, though officials are hoping to bring the project in around \$725,000, the budgeted amount for the trail.¹⁶⁵

Either way, it’s a pricy venture. And costs could still balloon due to engineering fees not included in the original estimates and the possibility of moving a water line from underneath the path. One thing is clear, however, whatever blight exists in Post Falls isn’t going to get better as a result of a bike path.

Speaking of bikes ...

Though the cost isn’t as much as the Post Falls bike trail, the Capital City Development Corporation in Boise is also using its taxpayer funds to pay bike-related items.

In April 2011, the agency spent \$5,376 on 16 bike racks, most of which are placed at various spots in the downtown area, though two are in storage.¹⁶⁶ In addition, the agency paid \$350 for a bike air station, now placed at the Capitol Terrace Parking Garage near 8th Street.¹⁶⁷

The agency spent another \$553 for signs denoting the station’s presence.¹⁶⁸ You never knew it was the government’s responsibility to provide bike racks and bike air for the city’s two-wheelers. Now you do.

¹⁶⁵ October 20, 2011, meeting of Post Falls URA.

¹⁶⁶ CCDC check registry April 2011.

¹⁶⁷ CCDC minutes.

¹⁶⁸ *Ibid.*

Boise has the prettiest transit shelters

Thanks to the Capital City Development Corporation, downtown Boise may have the prettiest transit shelters in the entire state of Idaho.

What an honor that must be.

The agency used the roofs of downtown transit shelters to display art, spending \$23,374 to do it.¹⁶⁹ A number of the shelters downtown now feature different colorful displays, so bus patrons can enjoy the aesthetics waiting for the ride home. How nice.

Since the urban renewal agency spent the money, it's obvious that local officials believe the project qualifies as urban renewal. Still, we don't quite understand what exactly is being renewed.

Government can grow itself and business

Once they are formed, government agencies only seem to get bigger each passing month and year. Maybe the Meridian Development Corporation is hoping its expertise in that area will help local businesses.

The government agency runs Ground Floor, a business incubator service for Meridian companies. Ground Floor offers small companies temporary office space and other services, including direct phone access, conference-ready meeting rooms, and copier and fax availability.

The idea of the program is to give small companies a professional space in which they can meet with clients and hold important meetings and events. Membership starts at \$50 a month and runs up to as much as \$249.¹⁷⁰

While we could probably all agree that we want businesses to grow and be successful, the agency is simply acting as a middleman here. The urban renewal agency actually leases the space to run Ground Floor, meaning that it is actually subletting to up-and-coming businesses.¹⁷¹

¹⁶⁹ CCDC public records request, October 24, 2011.

¹⁷⁰ MDC website under the "Ground Floor" tab.

¹⁷¹ MDC staffer Ashley Ford call with IFF staff, October 27, 2011.

Additionally, this type of arrangement is offered by any number of companies in the private sector, meaning the urban renewal agency is competing against profit-making businesses in the area. Finally, there's a ton of vacant office space in Meridian and surrounding cities -- a condition not helped by the government's own entry into the office space rental business.

The Meridian urban renewal agency thinks it's helping with its "Ground Floor" project. In reality, it's only hurting the folks trying to make a buck or two in the commercial real estate business.

Let's use urban renewal to renovate the least blighted part of town

Anyone who has strolled through downtown Coeur d'Alene knows the city's scenery is some of the best in state, if not in the entire Inland Northwest. Juxtapose that with an unyielding desire to use urban renewal in order to fix blighted areas in Idaho cities and you get the Coeur d'Alene McEuen Park debacle.

Last year, the Coeur d'Alene City Council voted 4-1 to spend as much as \$40 million to upgrade McEuen Park located between the Coeur d'Alene Resort and the city library.¹⁷²

The park is now the home of green space, baseball fields and a boat launch. As beautiful as it is – and truly lacking in anything that could remotely be considered “blight,” it's just not pretty enough for city councilors. The total cost of the project is expected to include a skate park, bocce ball courts, pickle ball courts, basketball courts, tennis courts, several water features and even an ice skating rink. Also included is underground parking and the cost of moving the boat launch and the baseball fields.¹⁷³

Who says you can't have it all?

The urban renewal agency for the area, the Lake City Development Corporation, is expected to debt-finance this project.

¹⁷² *Coeur d'Alene Press*, “McEuen moves ahead,” by Tom Hasslinger, May 25, 2011.

¹⁷³ *LoveCDA.com*, “McEuen park plan approved by city council,” May 25, 2011.

The project is so wonderful, that when residents called for a vote of the people on the project, city councilors rejected that idea.

Government revitalizes itself first

In an Oct. 16 newspaper guest opinion, Nampa Mayor Tom Dale boasted about his city's efforts to make the area more attractive to businesses and improve the local economy through revitalization plans. Dale told readers that the city's objective was simply this: "The long-term goal was revitalization of downtown."¹⁷⁴

In reality, Nampa's government is revitalizing itself first. While Dale acknowledged in his commentary that parts of his city's downtown area need infrastructure upgrades, the initial project undertaken by the urban renewal agency is a government public safety building.

The project, expected to cost around \$15 million, shows a government-first attitude in the city.

The city's urban renewal agency is debt-financing the project.¹⁷⁵

The building, slated to house fire, police and information tech staffers when completed, also features a parking garage and state of the art windows and heating and cooling systems. The building itself will be about 65,000 square feet and the parking garage will take up another 100,000 square feet.¹⁷⁶

How is providing new digs for government workers part of downtown economic revitalization? The mayor says the project created new jobs. Don't be confused and mistake this as "job creation." The money for this project had to come from somewhere – from taxpayers and the real job creators in the economy. Because this project cost \$15 million, some \$15 million worth of private sector economic activity did not occur because of this urban renewal project. The only true beneficiary in the end is the city government.

¹⁷⁴ *Idaho Statesman*, "Dale: Nampa revitalization is proceeding according to plan," by Mayor Tom Dale, October 16, 2011.

¹⁷⁵ *Ibid.*

¹⁷⁶ *Idaho Press-Tribune*, "Public safety building takes shape," by Holly Beech, September 14, 2011.

How much money can government use to subsidize a private company?

The city of Twin Falls and its urban renewal district want to know the answer to that question.

The two entities, almost one in the same, have committed to spend as much as \$24 million in taxpayer funds to help Chobani, a Greek yogurt maker worth \$700 million, build a plant in their city.

The city has pledged \$6.75 million for specific wastewater and sewer upgrades to facilitate the special plant the company wants to build.¹⁷⁷ The urban renewal agency has committed the rest of the money, planning on going into debt to spend more than \$17 million for the plant.¹⁷⁸

In fact, while Chobani is reportedly spending at least \$128 million on its plant, only \$18,000 of that will fund the special infrastructure needed for the facility.¹⁷⁹

The city is also waiving more than \$5 million in building fees and wastewater charges for the company.¹⁸⁰

The city might easily make a case for using public funds to enhance public infrastructure. Then again, a good taxpayer advocate might wonder why Chobani didn't chip in some money for the infrastructure upgrades. What's harder to explain is why part of the urban renewal agency's money – about \$4.25 million of it – will purchase the land on which the Chobani plant will sit.¹⁸¹ Is this an example of Twin Falls government officials picking winners and losers? Yes, it is.

The next time you snack on any of Chobani's delicious yogurt products, remember that taxpayers helped subsidize your tasty treat.

¹⁷⁷ Development agreement between Chobani and Twin Falls, signed Nov. 3, 2011.

¹⁷⁸ Ibid.

¹⁷⁹ Project data sheet.

¹⁸⁰ *Twin Falls Times-News*, "The anatomy of the Chobani deal," by Ben Botkin, November 13, 2011.

¹⁸¹ Ibid.

Throwback telephones in Boise

Only government could keep antiquated technologies alive and well, even when they aren't used and are losing money.

That's exactly what's going on at the Capital City Development Corporation in Boise, which is funding four pay phones along 8th Street in downtown. Max Clark, the corporation staffer tasked with maintaining the phones, says the agency spends about \$2,400 annually on them, but only generates about \$400 each year from calls made.¹⁸²

So why are the phones there if they're not breaking even? Public welfare, of course. Clark says that he believes the phones are a service for the general public. Of course, so were telegraphs, but we stopped subsidizing those. Only a government agency could figure out a way to keep payphones in operation in a world of wireless communication.

Subsidizing Starbucks in Ketchum

Sometimes public officials are determined to do what they want, regardless of public distaste of the idea.

Officials in the Ketchum Urban Renewal Agency tuned out public voices when they agreed to house a Starbucks in the lower half of the taxpayer-supported city visitor center. While many restaurateurs attended public meetings to express their distaste for the idea, relatively few people voiced support for the plan.

Commissioners had an explanation for that, however: Those in favor of the idea didn't want their food to be spit in when frequenting local establishments.¹⁸³

Officials also threatened that Starbucks would likely leave Ketchum if the business wasn't relocated to the visitors center. The company, however, said it had no announcement about closing shop without the move.¹⁸⁴

Also in the agreement were provisions that allowed Starbucks to sell alcohol and compete against local bars for customers.¹⁸⁵

¹⁸²Phone conversation with IFF staff, November 9, 2011.

¹⁸³ *Idaho Mountain Express*, "URA returns to Starbucks as tenant," by Trevon Milliard, April 13, 2011.

¹⁸⁴ *Ibid.*

Urban renewal is typically thought of as a way to bring new businesses to town, but Ketchum recruited an already-established company into an arrangement in which it won't be paying property taxes and supporting local schools.

For rent: Taxpayer-financed government housing

In the college and resort town of Coeur d'Alene, the Lake City Development Corporation (LCDC) is holding a number of residential properties and bringing in at least \$14,000 a month in rental income doing it.

Records show LCDC owns 25 properties in Coeur d'Alene. Most of them are residential, but the agency owns a few commercial ones as well.¹⁸⁵ LCDC has spent more than \$5.1 million since 1998 on property acquisition.

State Rep. Kathy Sims, R-Coeur d'Alene, says that LCDC is able to hold the properties indefinitely due to a loophole in state code. The provision governing the practice, Sims explained, allows the agency to own the properties as long as there is a development plan in place for them.

Once the development plan has been executed, the agency must sell the properties within three years.

Sims says LCDC should sell the properties because the agency is competing against local landlords. Some of the properties are near North Idaho College, an area ripe for rentals for college students.

We agree with Sims. Urban renewal agencies should not be competing against the private sector in any way, shape or form.

¹⁸⁵ *Idaho Mountain Express*, "Coffee to go," by Rebecca Meany, April 13, 2011.

¹⁸⁶ *IdahoReporter.com*, "LCDC brings in \$14,000 a month in rent from residential and commercial properties," by Dustin Hurst, Nov. 17, 2011.



We're nerds over here at the Idaho Freedom Foundation, and so we tend to ask a lot of questions. Questions like, "How much did that cost?" And, "Where did the money for that come from?" And, "Who paid for this?" These questions prove inconvenient, because politicians don't expect to have to answer them and bureaucrats think they shouldn't have to be exposed to them. After all, isn't it enough that the government cares about us? Maybe not.

Hey, thanks for the pretty interchange

In May, the Idaho Transportation Department completed construction on Idaho's newest interchange, complete with shrubs, flowers and an ongoing burden for Meridian taxpayers.

The bridge and the accompanying landscaping were funded through federal stimulus dollars, which means our federal government borrowed

money in order to plant some flowers and bushes on the highway. The initial installation of landscaping and sprinkler systems cost \$580,000.¹⁸⁷

This supposedly generous gift from the federal government leaves an ugly, ongoing obligation for the residents of Meridian. The city estimates the annual upkeep of the landscaping at \$45,000.¹⁸⁸

Meridian Mayor Tammy De Weerd said that the landscaping helped fulfill a “vision for this important gateway,” but all we can see is unnecessary spending.

Another Meridian politico, House Transportation Committee chairman Joe Palmer, a Republican, believes the landscaping was not needed. “I think it (the interchange) would’ve been fine without the landscaping,” Palmer said.¹⁸⁹ Of course, everyone knows that cars and trucks will stall and become hopelessly immobile unless interchanges are prettified first.

Boise continues to beautify ... traffic boxes?

Like Meridian, Boise is dedicated to beautifying stuff, at taxpayer expense. In April 2011, Boise handed out \$19,265 in taxpayer funds to pretty-up some traffic boxes around the downtown area.¹⁹⁰

City Council President MaryAnne Jordan defended the spending, saying that the boxes are good for the local economy. “It’s sort of an economic development tool,” she explained. “We can all agree that clean, attractive and vibrant cities are more inviting to businesses.”¹⁹¹

This is the third time the city has paid for art on traffic boxes. In 2009, Boise paid \$20,000 for the project and \$3,000 in 2010. In 2011, seven boxes were decorated using the money.

¹⁸⁷ Email from ITD spokesman Reed Hollinshead to IFF staff, August 29, 2011.

¹⁸⁸ Meridian public records request, August 31, 2011.

¹⁸⁹ Phone Conversation with Rep. Palmer, September 6, 2011.

¹⁹⁰ Boise public records request, April 20, 2011.

¹⁹¹ *IdahoReporter.com*, “Boise hands out another \$20,000 for art on traffic boxes downtown,” by Dustin Hurst, April 21, 2011.

Former Boise City Council candidate Dave Litster thinks the art is a waste. "That might not be the best use of taxpayer funds," he said.¹⁹²

It may not. At least the city didn't use the money to, I don't know, spruce up the town wastewater treatment plant. But that could never happen, right?

Sprucing up a really ugly – and probably smelly – place in Coeur d'Alene

The city of Coeur d'Alene is looking to spend big bucks to spruce up an ugly place.

The Coeur d'Alene Commission on the Arts is looking to spend \$50,000 on an art project for the city's wastewater treatment plant, which is located near the Spokane River and the new education corridor.¹⁹³

The commission says the wastewater plant art should "be integrated and made to feel seamless within the overall project, visually enhance areas of the Wastewater Treatment Plant that are within public view/access, create unique, thoughtful and context sensitive public art, educate visitors through interpretive opportunities, and provide cost efficiency through durability and low maintenance."

Steve Anthony, head man at the commission, says there is a need to improve the plant and believes the amount budgeted for the project isn't excessive. "It's not like we're spending an exorbitant amount here," Anthony said.¹⁹⁴

Maybe he's right. It's kind of a shame that more Coeur d'Alene taxpayers don't view the wastewater treatment plant as the town jewel it truly is, a community treasure that everyone should hold in high esteem and pride. Local residents should say, "Yes, I am from Coeur d'Alene, the town with the pretty wastewater treatment plant." And who are we to criticize the vision behind such wise use of taxpayer funds?

¹⁹² *IdahoReporter.com*, "Boise hands out another \$20,000 for art on traffic boxes downtown," by Dustin Hurst, April 21, 2011.

¹⁹³ *IdahoReporter.com*, "Coeur d'Alene offers up to \$50,000 for art at wastewater plant," by Dustin Hurst, August 11, 2011.

¹⁹⁴ *Ibid.*

Meridian's \$3,000 toilet tour

We're kidding, of course, about waste treatment systems being a source of community pride and excitement. Meridian isn't, however.

As such, Meridian officials cordially invite you to Meridian's Tap to Toilet Tour.

The tour is billed by city officials as a way to help city residents understand the sewer system and what happens after the toilet is flushed.

The 2011 version of the event cost Meridian taxpayers nearly \$3,000, with \$2,433 of that going to wages and benefits of city workers and the rest paying for supplies.¹⁹⁵

Next year, the city and its residents should stick to Google.

The second study is twice as nice

In its move to drum up public support, the city of Boise commissioned a report to study the need of a new baseball stadium in the Boise valley. The report, when finished, said the new facility would provide a minor boost to the local economy and increase ticket sales for the minor league baseball team.

That's all fine and dandy, but did the city need to spend \$20,000 studying something that had already been examined?

The city study followed a year after a privately-funded report was issued by the team. The team's report, conducted by Treasure Valley Sports and Entertainment, found essentially the same data as the city's study.

Todd Rahr, general manager of the minor league baseball team, didn't seem surprised about the result of the city's study. "I think it came out exactly as we thought it would be," Rahr said.¹⁹⁶

¹⁹⁵ Meridian public records request, May 9, 2011.

¹⁹⁶ *Idaho Business Review*, "Study: New stadium would increase attendance," by Jennifer Gonzalez, June 29, 2011.

Can we get Mr. Rahr a job with the city of Boise?

The city of Boise wants you to turn off your car

The city of Boise is up to its usual tricks, spending money on a feel-good environmental campaign that will likely produce no positive results. The city announced in 2011 the creation an anti-idling campaign to encourage Treasure Valley drivers to turn off their vehicles when they are not moving.

The effort will cost Boise residents at least \$7,400 before it's all said and done.¹⁹⁷

The bulk of the known costs of the program are for anti-idling signs to be placed around the city. Boise has purchased 250 of the signs at a cost of \$4,500. Another \$1,000 is being spent on outreach materials like stickers and displays. The city spent \$1,850 on a focus group prior to the launch of the campaign.

According to documents, it's possible the project cost could be much higher. The city was unable to quantify the amount of time paid staffers would dedicate to the project.

While Boise Mayor Dave Bieter says this public relations campaign is better than outlawing the practice, we're waiting to see how much the city government will spend on signs reminding us to eat our veggies.

What lobbyists really need: government-financed bookmarks

In July, Boise library administrators paid nearly \$12,000 to send cute bookmarks and huge, full-color pamphlets to lobbyists, public officials and community leaders.¹⁹⁸

According to the library, each mailer, along with postage, cost around \$7. There were 1,632 of them sent.

Boise is full of public relations programs that produce no positive results for the citizens. These efforts are one of the simplest examples of wasted

¹⁹⁷ Boise city public records request, August 25, 2011.

¹⁹⁸ Boise city public records request, July 28, 2011.

spending. If you're a Boise taxpayer or library patron, we'd bet you're glad to know your money is being spent to send bookmarks to area lobbyists.

Hey ma, is that a giant spud coming down the road at us?

Nothing screams POTATO!!!! like a giant POTATO!!!! Especially when said potato is traveling the country on the back of a truck.

The Idaho Potato Commission, funded by a tax on the potato industry, will spend more than \$300,000 driving a giant potato around the nation for its 75th anniversary of marketing Gem State taters.¹⁹⁹

The group is spending \$269,200 to design, decorate and build the custom tractor trailer along with the potato. After its completion, the group will spend a project \$58,000 in fuel for the diesel truck, which has planned stops in New York, Florida, the West Coast and several locations in between.

The idea for the project, Idaho officials said, came from an old postcard that showed a giant potato chained to the back of a truck. Maybe officials should have left the giant potato idea to the postcard people.

A little bit of wizardry and a little bit of waste

With the ease of a wave of a magic wand, the folks at the Ada County Highway District (ACHD) can spend all kinds of money. The highway district spends \$14,000 annually to printing its "Road Wizard" column in the *Idaho Statesman*.²⁰⁰

The wizard's purpose is to answer questions Ada County residents may have about roads, traffic lights or other issues.

Of course, ACHD did manage to cut the cost of this project from \$63,000 in 2009, but there is still room for improvement.²⁰¹ We're pretty sure drivers can figure out how to navigate Ada County roads without the help

¹⁹⁹ Idaho Potato Commission public records request, September 26, 2011.

²⁰⁰ ACHD spokesman Craig Quintana email to IFF staff, September 30, 2011.

²⁰¹ Idaho Freedom Foundation, 2010 Pork Report, Pg. 53.

of some magical wizard. Or maybe the local paper could provide the information as local news.

Taxpayers get cleaned

Boise had a certifiable mess on its hands with a contract caper involving Clearview Cleaning last summer.

Clearview won a city cleaning contract worth \$368,000, but it was canceled the night before it was set to begin.²⁰² Officials gave no explanation for the move, so the company filed public record requests for more information.

Also, getting no explanation was a \$43,000 payment made to Clearview shortly after the city cancelled the deal.²⁰³

The private company filed a lawsuit against Boise in response to the city's denial of public records request pertaining to the matter. A judge eventually ruled in favor of Clearview and ordered Boise to pay the company's \$4,137 to compensate for legal fees.²⁰⁴

It was eventually revealed that Boise police officials were uncomfortable with one of the company's workers being in department headquarters alone.

Clearly, taxpayers got a cleaning out of this whole deal, but not in the way it was originally envisioned.

Let's hope the mayor doesn't decide he likes the Transformers movies

In September 2011, the city of Boise decided to give \$45,000 in taxpayer funds to three different art-related entities which, by the city's own admission, really didn't need the money.

Ballet Idaho, the Boise Philharmonic and the Idaho Shakespeare Festival received \$15,000 each from what the city calls "Arts & History Economic

²⁰² *Boise Guardian*, Cleaning contract caper awaits court ruling, June 30, 2011.

²⁰³ *Boise Guardian*, Copper complication cleaning contract caper, July 19, 2011.

²⁰⁴ *Boise Guardian*, "Judge: Boise acted frivolously withholding documents," August 21, 2011.

Development grants.” The money, the city said in a press release, was given “in recognition and support of the positive impact each organization makes on Boise’s economy.”

So, while the money is labeled as economic development, it’s basically a big “thank you from the city.” How nice.

It’s obvious from Mayor Dave Bieter’s statement about the grants that the \$45,000 is just not needed by the private entities. “According to Americans for the Arts, Boise’s arts organizations support 1,200 jobs and generate more than \$18 million in event spending each year. With this kind of extended impact, it is important that the City provides support where possible to our local cultural organizations. These groups help our community thrive.”²⁰⁵

So, the mayor is saying that taxpayers chipping in \$45,000 to an \$18 million-a-year industry will help “our community thrive?” Interesting, if true. What’s really happening here is Bieter and the city are making judgments for city residents about what arts and entertainment they should like and not like -- and then funding those projects according to personal preference.

Mayor, if you're going to spend money on the arts, we have just two words for you: Star Trek.

And we’re going to travel like it’s 1899

There are a number of reasons why trains or trolleys are seldom-used for public transportation except in densely populated areas. They are costly, they are inefficient and they are less than flexible.

With that said, why is Boise continuing with its never-ending push to bring a trolley system to the downtown area? In coming months, the city will spend at least \$375,000 to study the idea of bringing a streetcar – more lovingly known to some as the “Streetcar to Nowhere.”²⁰⁶

This issue is coming back after the city was denied a \$40 million federal grant for the project. When the trolley was originally discussed, it sharply

²⁰⁵ Boise press release, September 7, 2011.

²⁰⁶ *Boise Weekly*, “Boise wins federal grant, will revisit downtown circulator,” by George Prentice, October 21, 2011.

divided the city, and for good reason. Building it in Boise would be a horrible – and expensive – mistake.

The issue has been studied before and analysts predicted that the Boise trolley would likely attract more riders each year – about 500,000 – than Seattle, Tampa, and Little Rock.²⁰⁷ Doubtful.

Rent and a charitable contribution to boot

The city of Boise is playing landlord in downtown and a charitable foundation is reaping the benefits.

City officials agreed to lease a warehouse it owns, known as the Old Shaver Building, on 8th Street to a company called 9th & River LLC, for a full 45 years.²⁰⁸ A memo from the mayor’s office says the deal is an example of how the city can generate economic activity.

It appears that Biomark, the company slated to inhabit the space, is getting a sweet deal on the place. Biomark’s rent was not set on market factors but instead its ability to pay. “The Base Rent was established by the parties based on what the initial intended subtenant, Biomark, Inc., an Idaho corporation (“Biomark”), could pay to successfully operate its business from the Premises,” the contract says.²⁰⁹

How often does an arrangement like that happen in the private sector?

Also of note is the rent on the property. In the first year, 9th & River must make at least \$1.2 million in improvements and donate \$12,000 to the Friends of the Library, a citizen’s group dedicated to raising funds for the city library.²¹⁰ Starting in the second year, the tenant will pay \$36,816 annually for the use of the building, a number set to increase by unknown increments in the latter years of the agreement.

²⁰⁷ Capital City Development Corporation, Boise Streetcar Feasibility Study, June 14, 2010.

²⁰⁸ Memo from city staffer John Brunelle to Mayor Dave Bieter, March 21, 2011.

²⁰⁹ *Ibid.*

²¹⁰ *Ibid.*

The blame game costs Meridian taxpayers \$4 million

Meridian's City Hall situation is a mess, a quagmire city officials failed to pin on a private contractor.

Originally, the city budgeted \$12.2 million for the project, but changes to the plan meant a total cost of about \$21 million when doors were opened on the facility.²¹¹

Upon completion, however, city officials felt some of the work was shoddy and defective and sued Petra, the contractor tasked with construction, for \$8.5 million, an amount suspiciously close to the difference in the budgeted amount and the actual cost of the project.

The judge ruled that the concerns of the city were minor and not substantial enough to merit the lawsuit. The city was ordered to pay Petra \$424,808 in management costs and interest.²¹²

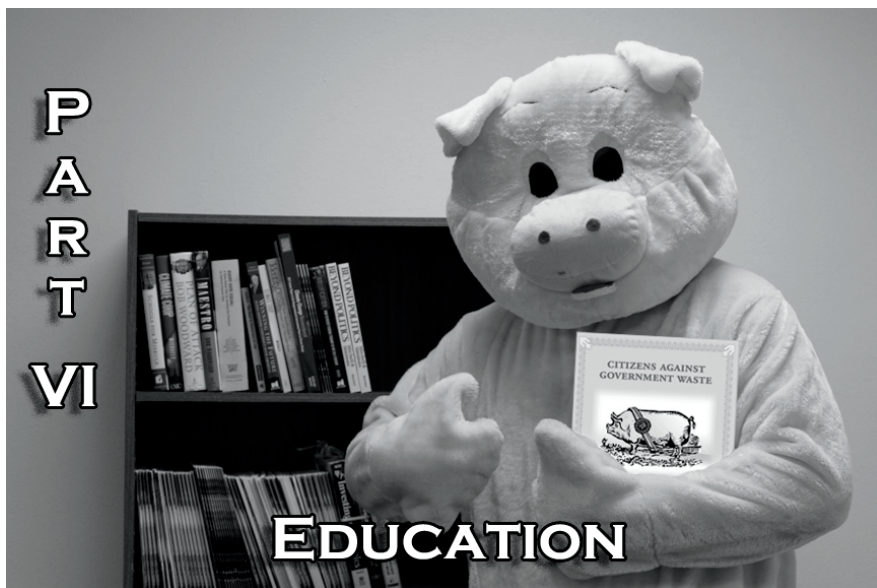
The public money doesn't stop there, however. On top of the \$1.8 million in lawyer's fees the city has racked up, the judge mandated Meridian pay for Petra's lawyers, too. That meant another \$1.8 million.²¹³

The city played an unnecessary and costly blame game, at great cost to taxpayers including Petra.

²¹¹ *KTVB*, "Meridian loses lawsuit against City Hall builder," by Scott Evans, June 14, 2011.

²¹² *Idaho Statesman*, "Judge rejects Meridian's motion to reduce Petra award," by Joe Estrella, August 5, 2011.

²¹³ *Ibid.*



The fact that public school union contracts are being negotiated in public (part of the Students Come First reforms of 2011) helps. But not completely.

There's still a lot of waste taking place in our school districts and in our colleges and universities. This chapter highlights some of the things we've found in Idaho's public schools and university system. Some of our examples come from negotiated contracts between schools and labor unions. Some of it is a function of Idaho law (for example, the fact that it costs about \$60,000 per child to educate the kids in one school district). While Students Come First was an anti-waste achievement for policymakers, we're not done working for reforms.

During tough times, Idaho Falls superintendent gets super perks

Though his school district has taken steep cuts to budgets and programs in the past two years at the state level, Bonneville School District No. 93 Superintendent Charles Shackett still has a contract filled with taxpayer-funded perks, including a yearly \$15,000 signing bonus.

According to Shackett's contract, signed in February 2011, he receives \$7,500 in extra money for retirement, \$17,000 in incentives and bonuses, and a car to use at his discretion. The superintendent also receives five paid days off each year to conduct private consulting activities.²¹⁴

The benefits are in addition to his \$104,000 yearly pay. His base salary puts him near the bottom of the pack among superintendents of districts with more than 5,000 students, though the perks added in to the figure put him in a near tie as the fourth highest-paid superintendent in the state.

Shackett wouldn't apologize for any of the benefits provided by the Bonneville school board in his yearly contract because he didn't ask for them. "I think I am lucky and I am blessed," he said. "I'm not going to turn it down."²¹⁵

In the 2011-12 school year, the district needed to cut about \$4.5 million out of its operating budget, though \$2 million of that was restored thanks to a budget surplus.²¹⁶ The district has used several methods for making needed cuts, including furlough days for employees and job eliminations. But the perks stayed in place through it all.

Super perks for a superintendent, part II

Idaho's top paid superintendent is Dr. Lonnie Barber with the Blaine County School District, who will make \$158,757 in the 2011-12 school year.²¹⁷

That figure, however, doesn't include pricy perks given to Barber by the Blaine school board. The district gives its head man full vision, dental and health insurance, along with \$20,000 for a private 401(k) account, and it pays his share of the contribution to his public pension, a perk amounting to about \$9,000 annually.²¹⁸ The district's share of Barber's state retirement package is nearly \$16,000.²¹⁹

²¹⁴ Bonneville Joint School District No. 93 public records request, Aug. 16, 2010.

²¹⁵ Interview with IFF staff, Aug. 19, 2011.

²¹⁶ *EastIdahoNews.com*, May 19, 2011.

²¹⁷ Blaine County School District public records request, Sept. 19, 2011.

²¹⁸ Idaho Freedom Foundation calculation.

²¹⁹ *Ibid.*

In the 2010-11 school year, Barber made \$155,466 and edged Boise School District's Don Coberly as the highest paid school executive. Coberly made \$155,000 in the same school year.²²⁰

Take note of the sizable difference in student size between the Boise and Blaine districts. Boise is the second-largest district in the state, serving 25,269 students in the school year.²²¹ Blaine, by comparison, served 3,389 students, coming in as the 25th-largest district in Idaho.²²²

When the data is broken down further, Coberly's rate of pay was about \$6 per student in the 2010-11 year, whereas Barber realized \$46 per child he oversaw.

Meridian Superintendent Linda Clark, head of the largest district in Idaho, was paid about \$4 per student for the 2010-11 school year.

When compared with districts of similar sizes, Blaine outpaces others. The Jerome School District, just south of Blaine County, paid its superintendent \$97,000 in the 2010-11 school year.²²³ Jerome served 3,500 students.²²⁴ The Middleton School District served 3,052 students in that school year and paid its superintendent \$113,000.²²⁵

Small town superintendents are comparatively well-paid, too

While the two previous stories have focused on some superintendents getting sweet perks from taxpayers, attention also needs to go to superintendents from small towns who are comparatively well-paid.

For example, the superintendent of the Bliss School District makes \$95,226 but oversees only 153 pupils, averaging \$622 per student.²²⁶ In the Rockland School District, the superintendent brings home \$69,706 annually but supervises 163 students for an average of \$427.²²⁷

²²⁰ *OurIdaho.com* data.

²²¹ Idaho Department of Education 2010-11 fall enrollment data.

²²² *Ibid.*

²²³ *OurIdaho.com* data.

²²⁴ Idaho Department of Education 2010-11 fall enrollment data.

²²⁵ *Ibid.*

²²⁶ Department of Education data on attendance and superintendent pay for 2010-11 school year.

²²⁷ *Ibid.*

This happens in some of these smaller districts across the state; Cascade pays its superintendent \$328 for each of the 269 students he oversees and Horseshoe Bend pays \$220 per pupil for the services of its superintendent.²²⁸

The highest paid superintendent, based on per-pupil spending, is in the Avery School District. While the top official makes only \$75,500 annually, the district serves a total of 12 kids, meaning the superintendent gets \$6,291 per child.²²⁹

Maybe it's time for school districts to examine different options for superintendents. The Hagerman School District has considered sharing superintendent services with Bliss and sharing the cost, which is something many of these smaller districts should think about.²³⁰

Tech toys for school officials in the Meridian and Caldwell

What makes some folks angrier than Angry Birds? The fact some school districts in Idaho are using taxpayer funds to buy iPads for school administrators.

That's just what happened in 2011 by officials in the Caldwell and Meridian school districts. The tech toys cost Meridan \$85,000 and Caldwell paid \$3,992 for theirs. Meridian's money came from federal grants, while Caldwell used its own general funds for the purchase.²³¹

Meridian paid \$599 apiece for its iPads, while Caldwell took the less-costly route, spending \$499 per unit.

While officials from Meridian and Caldwell say the tablets will help bring efficiency and accountability to schools in their respective districts, we're not exactly certain what that really means.

²²⁸ Calculations based on Department of Education data on attendance and superintendent pay for fiscal year 2011.

²²⁹ Ibid.

²³⁰ Hagerman School District school board meeting minutes, Jan. 12, 2011

²³¹ *IdahoReporter.com*, "Two school districts move toward high-tech education with \$88,000 in iPad purchases," March 11, 2011.

The 142 Meridian iPads, explained district spokesman Eric Exline, are going to several different uses. Five of the devices were issued to district trustees as normal equipment replacement and are being utilized to access notes and agendas at board meetings.

The majority of the Meridian iPads were issued to school principals and other administrators to access student information and perform teacher evaluations.

Some of the tablets, 43 to be exact, are being used in Star Elementary, which is taking part in a pilot program to innovate new ways to integrate technology in schools. That part we can applaud, but the rest seems to be a waste.

Caldwell has issued its iPads only to school principals. Jennifer Swindell, communication director for Caldwell, says buying the tablets will save taxpayers money in the long run due to savings in paper and printer costs.²³² Uh, shouldn't the various computers previously issued to Caldwell administrators already be helping save in printing costs? We'd think so.

Teachers gone wild

Unfortunately, 2011 featured some examples of teachers abusing their positions - and public resources - to influence young Idaho minds.

A trio of first grade teachers at Ammon Elementary school near Idaho Falls, which is in the Bonneville School District, found themselves in some hot water soon after sending a politically-charged letter home with some of their students in March.²³³

The letter, sent home by Mrs. Lora Stanger, Mrs. Linda McArthur and Mrs. Cory Bingham, was a message of protest against recent education reform legislation pushed through the Legislature by Superintendent of Public Instruction Tom Luna.

²³² Email from Jennifer Swindell to IFF staff, March 10, 2011.

²³³ *IdahoReporter.com*, "Punishment likely for teachers who sent anti-reform protest notes home with students," April 12, 2011.

In the undated message, the teachers told parents they were not going to help students outside of specific contracted times, meaning that pupils wouldn't have been able to access extra help during recesses, lunch breaks or after school. The teachers also vowed not to take any class work home because that is not part of their contracts.

Though teachers had the right to protest – and many did as the bills made their way through the Idaho Legislature – Ammon Elementary Principal Lanie Keller said the way the teachers went about it was inappropriate. "Something like that should not have been sent home with kids," said Keller. "Something like that should have been sent home through private mail."

The Bonneville School District wasn't the only place where teachers abused their positions to protest school reforms. Two teachers in the Meridian School District used their taxpayer-funded resource, namely the intra-district mail system, to distribute anti-reform referendum petitions.

According to emails turned over by a source within the district, Eric Thies and Rebekah Marquez, teachers at Rocky Mountain High School in Meridian, used their public email addresses to organize and promote the referendum effort.²³⁴

Marquez appears to have sent out the first email on April 18 to organize for the referendum effort and even offered to send petitions through the district's mail service. It is unknown if Marquez used her district email to send the message.

The message sent by Marquez was then forwarded later by Thies, who informed other teachers about an organizational meeting for the referendum. He offered to pass out copies of petitions to anyone willing to gather signatures. Thies, who also works as a community relations specialist for the Meridian Education Association (MEA), used his district email to spread the message.

Eric Exline, spokesman for the district, condemned the use of district resources to push the referendum effort and said that all employees had

²³⁴ *IdahoReporter.com*, "Meridian teachers use taxpayer-funded resources to promote referendum effort," by Dustin Hurst, April 19, 2011.

been warned against such behavior. “This is not an activity that is condoned by our district and is actually against our own policy,” said Exline. “This has to take place outside of work hours.”

In sickness and in health, and in more sickness and more sickness

Districts across the state allow teachers to take anywhere from 8-11 sick days each year. That’s fine. We’re cool with that.

What’s not cool is that several districts across the Gem State, including Hansen, Lakeland, Highland, Twin Falls, Glens Ferry, Lake Pend’Oreille, Nampa and Moscow, among many others, allow teachers to accrue unused sick days from year to year without capping accumulation.

Why is that a problem? Well, Idaho Code 33-1225 says that sick days not used at the time of retirement must be paid to the teacher by the district at half their value. In the right scenario, a 20-year teacher could cash out upon retirement as many as 180-200 sick days.

To illustrate how damaging this can be, let’s look at the small district of Hansen in the Twin Falls area. The highest-paid teacher in Hansen in 2011 earned a salary of about \$53,000.²³⁵ If that teacher accrued all allotted sick days in a 20-year period, it would force the district to pay out \$26,000 in sick day compensation upon retirement. That money would be better used paying for classroom supplies and not golden parachutes.

Several districts across the state cap sick day accumulation, but even limiting the practice isn’t the best solution because caps are too lofty. The Meridian School District allows educators to accrue up to 260 sick days.²³⁶ The Weiser School District permits teachers to earn 280.²³⁷

Part of the Students Come Second program

We’ve all heard teachers and others across the state complain that budget cuts to education have meant fewer supplies for students. So

²³⁵ *AccountableIdaho.com* data.

²³⁶ Meridian master agreement, Article V.A.

²³⁷ Weiser master agreement, Appendix B, Section I.C.1.

what happens when there is some extra money to go around in Rathdrum? Of course the teachers get paid first.

At the end of fiscal year 2011 on June 30, the state realized it had some extra money, so it sent some of it to the school districts across Idaho. Lakeland School District received \$972,000 in extra money.²³⁸

In its 2011-12 master agreement, board members mandated that the first \$68,000 of the money go to cover furlough days taken by teachers. What was second on the list? The next \$285,000 was ticketed to school supplies. Following that was \$32,000 for library supplies and then \$110,000 was used to restore funding for teacher step pay program, meaning to replace raises teachers didn't get last in fiscal year 2011.

The remaining funds were ticketed to various purposes, including bus depreciation and restoring two more furlough days for teachers.

At least students were included in the spending somewhere.

This is not *Tron's* grid

In the movie *Tron*, players battle within the grid in a gladiator-style battle for supremacy. Competitors with the best performances move on in the challenge, while those less-skilled players are, well, eliminated. The teacher's grid is nothing like *Tron's* grid, nor does it resemble the real world. Educators only have to put in a little time and a little effort to get pay raises and they can still do a job poorly and get rewarded for it.

In the private sector, employees are rewarded for quality work, not necessarily on their education level or time on the job, but that's just not how things work in public schools.

For example, in the Nampa School District with eight years on the job but no master's degree would make \$31,750 annually. But an educator with the same amount of experience but the advanced degree makes \$8,050 more annually. There is no discussion of which teacher might be more effective, only a quick glance at pieces of paper with fancy writing.

While some great teachers may have advanced degrees, not all teachers with advanced degrees are great. In fact, research from the Brookings

²³⁸ Idaho Department of Education press release, July 12, 2011.

Institute suggests that master's degrees have little to do with how effective teachers are in classrooms.²³⁹

With salary hikes for teachers with master's degrees accounting 1.56 percent of educational expenditures across all Idaho districts, the state is spending at least \$32.6 million annually.²⁴⁰

We believe in rewarding teachers for their great work. Idaho made a good start to that end last year, when the Legislature approved a merit pay system for teachers. The legislation recognizes good work on a school-wide basis and is a decent start to fixing what ails our public schools.

But a real merit pay program –and far superior to what the Legislature has adopted – will allow individual teachers to be rewarded for their hard work, their great results, their infectious enthusiasm for educating kids and not just for how long they've been on the job and what kind of degree they hold.

Meridian needs athletic coaches more than highly-trained teachers

Sports are very, very important in the Meridian School District.

Because of the failure of a levy last year, the district was forced to reduce its teacher workforce significantly for the 2011-12 year. How did officials make the cuts? They made a list of desirable attributes they wanted teachers to have and then gave them points. Fair enough, right?

Not necessarily. While some point areas make sense – awarding an extra point for teachers who specialize in certain subject areas – others don't. Head coaches were awarded two points under the system, while those educators with advanced degrees only earned one point. Also earning one point were teachers with a National Board Certification.²⁴¹

Curious decision, wouldn't you say?

²³⁹ "Identifying effective teachers using performance on the job," April 2006, <http://bit.ly/uEi6B1>.

²⁴⁰ "State-By-State Analysis of Teacher Compensation for Master's Degrees." by Marguerite Roza and Raegen Miller, July 20, 2009, <http://bit.ly/aUoagP>.

²⁴¹ *Boise Weekly*, "Best reason to forego your studies and lace up your sneakers," Page 16, Sept. 21-27, 2011.

Can you fog a mirror? If so, here's your check for \$3,000

Do you ever get a check just for having a pulse and showing up for work? No? We don't either. That's essentially what's happening in the Nampa and Meridian school districts each year. Master teacher agreements in those districts contain provisions that reward teachers based solely on their longevity.

Here's a look at Meridian's schedule for longevity stipends:

Education	Years teaching	Amount of enhancement
master's + 12 credits or bachelor's + 48 credits	20+	\$500
master's + 24 credits or bachelor's + 60 credits master's + 36 credits or bachelor's + 72 credits	20-24	\$500
	25+	\$1000
master's + 36 credits or bachelor's + 72 credits	17-19	\$360
	20-24	\$860
	25-29	\$1,720
	30-34	\$2,580
	35-39	\$3,300
	40+	\$3,660

In the 2011-12 school year, Meridian spent \$378,000 on this expense. Only teachers meeting certain qualifications – possession of a master's plus 12 credits, a master's plus 24 credits or a bachelor's plus 50 credits, or a master's plus 36 credits or a bachelor's plus 72 credits – were eligible for the money.

In Nampa, teachers with 20-24 years of experience get \$500 annually, teachers with 25-29 years get \$750, those with 30-34 years receive \$1,000, and \$1,250 goes to those with more than 35 years of experience.²⁴² This sweet perk cost Nampa taxpayers \$72,545 in 2011 and the district expects to expend \$80,000 on it in 2012.²⁴³

²⁴² Nampa School District master contract section 1.1.

²⁴³ Allison Westfall email to IFF staff, Sept. 22, 2011.

The American Falls School District spent \$27,476 on its longevity program in the 2010-11 school year.²⁴⁴

Taxpayers still funding some union activities

We were delighted to watch the Idaho Legislature make code changes that prohibited unions from giving themselves special favors during master contract negotiations.

We are less than thrilled to find that many school districts in Idaho still allow union officials to take time away from classrooms in order to conduct their private business.

Several school districts, including Gem County, Lake Pend O'Reille, Council, Lakeland, Middleton, Parma, Potlatch and Moscow, among others, allow teachers to attend to union business with pay for a few days each school year.

Even worse is that in some of these areas, teachers are paid full salary and districts are left to pay the wages of classrooms substitutes.

Is it a strange request that no taxpayer funds go to union business? Teachers should conduct union business on their own time and money.

Speaking of conducting union business on the taxpayers' dime ...

The Middleton School District takes it a step further in allowing union officials to waste taxpayer money on teacher association business.

In Middleton's master agreement with its teachers, the local association president is given one day each month school is in session to use at his discretion.²⁴⁵ The substitute for the president's absence is covered by the district.

Though one day each month may not bear a huge cost, we will reiterate what we just said: Teachers should be in the classrooms and not conducting union duties.

²⁴⁴ American Falls School District public records request, Oct. 7, 2011.

²⁴⁵ Middleton School District master agreement, Article IV.F.2.

We could give each student a private tutor at that rate

In Idaho's panhandle, a little school district is spending big bucks to educate students.

The Avery School District, located in a remote section near north Idaho's wilderness, is spending nearly \$60,000 to teach each student annually.²⁴⁶

For that amount, the district could buy each student a laptop, a part-time tutor and still save thousands per student. Instead, Avery officials pay two teachers, a custodian, a bus driver, a superintendent, a secretary and a teacher's aide to facilitate the education of 12 students.²⁴⁷ Carl Morgan, superintendent of the district, says that the rugged locations and impassible snowy roads make consolidation with nearby districts impossible.²⁴⁸

If only we had the technology to bring education to the masses at less cost than the maintenance of an entire school bureaucracy. The funny thing is we do.

I'm only your teacher 80 percent of the time

The Lake Pend Oreille School District in north Idaho has created a part-time teacher out of a full-time worker. That district has stipulated that one teacher – the union president – gets to spend a good deal of this time out of the classroom.

In the district's master contract with its teachers association, it is stipulated that "no less than one-fifth of his total contract hours per year" are to be spent on union business and "collaborating with the district." Unlike arrangement at other school districts in the past, the association does not refund the Lake Pend Oreille district any of the cost of the president's salary.

That means that for 20 percent of the school year, Sandpoint High teacher Brian Smith, head of the teachers union, is out of the classroom.

²⁴⁶ 2010 average daily attendance was \$59,906.

²⁴⁷ Email from Avery superintendent Carl Morgan to IFF staff, Aug. 30, 2011.

²⁴⁸ Ibid.

While that is not a helpful scenario in terms of student achievement, it also costs taxpayers.

According to records, Smith made \$56,179 in 2011.²⁴⁹ That means that at least \$11,224 in taxpayer funds went to subsidize union activities.

I can't teach you if it's past 4 p.m.

In the real world, workers stay on the job until the work gets done. Too bad reality cannot seem to co-exist with the government ideas in some of our schools.

In a few school districts around the state, master contracts mandate – down to the minute – how long teachers work. In the Middleton district, educators work for seven hours and 45 minutes and no longer.²⁵⁰

That time includes a 30-minute paid lunch and a one 50-minute duty-free period to be used for class preparation.

Here's a contract idea: Work until the job is done.

Mini golden parachutes in Emmett

In Emmett, teachers hired prior to Feb. 1, 2006, with more than 15 years of service to the Gem County School District are entitled to a small payment upon retirement. The district's master agreement says that teachers meeting the two requirements upon retirement receive a payment equal to .002 of their last year's salary for each year they have been employed in the district.²⁵¹

That means a teacher with 20 years of work in the Gem County School District making \$54,000 annually would receive a \$2,200 lump sum payment.

This provision forced the Gem County School District to spend \$12,044 on a type of mini golden parachutes in the 2010-11 school year and the officials expect to spend the same amount on this provision in the 2011-12 school year.

²⁴⁹ *AccountableIdaho.com* data.

²⁵⁰ Middleton School District 2011-12 master agreement, Article III.P.

²⁵¹ Gem County School District 2011-12 master agreement, Article VII.H.

How many textbooks, reams of paper or computers could the Gem County School District purchase with \$12,000?

Remediation in colleges and universities costs everyone money

A high school diploma means that graduates are ready to move on to college prepared for the experience, right?

Wrong.

Too often students are often forced into taking remedial classes, meaning they are re-learning material they should have picked up in high school.

This is a costly problem and students are picking up the tab. According to data, remediation classes cost Idaho students \$9 million in the 2009-10 school year.²⁵² Because those college credits are subsidized by the state, every taxpayer is bearing the burden of remediation courses.

Problems with a proper education in high school means more than simply a higher college costs. It also means that those who need remediation are more likely to drop out of college and not finish degrees. Data released by the U.S. Department of Education in 2004 notes that a student required to take remedial reading courses in college have a 17 percent chance of completing a bachelor's degree.

Your team didn't qualify for state? Take a vacation anyway

We find many odd provisions in master teacher contracts, but rewarding coaches for not leading their team to state tournaments is new to us.

That's exactly what's happening in the Oneida School District. That district's master contract says that "Any head coach and one assistant

²⁵² *IdahoReporter.com*, "Remedial education courses cost Idaho students millions of dollars," by Mitch Coffman, Sept. 15, 2011.

whose team does not advance to state may take two days per event of professional leave to attend the state tournament.”²⁵³

We’re left with one question: Why? Teachers are employed to educate students, not scout other sports teams.

While the district doesn’t pay any expenses of coaches who might travel to tournaments, doesn’t it seem kind of off kilter that teachers are paid to watch sporting events?

More union business on taxpayers’ time

In Kuna’s master contract with its employees, the Kuna Education Association is allowed one monthly meeting during “the last 30 minutes of the employee’s regular school day.”²⁵⁴

This work-free time allotted to the association is a perk that non-union teachers don’t receive. We wonder how they feel about that.

We can pay for teacher education, but ...

Through the past year or so, school officials have been complaining that with budget cuts, they couldn’t afford to teach the students in their classrooms.

Somehow those long-suffering school districts can’t afford to educate the students they’re being paid to teach, but can fund college credits of educators.

Gem County School District, for example, pays the actual cost of three credits or 75 percent of the cost of credits according to Boise State University’s payment schedule.²⁵⁵ That means if a teacher chooses a community college for continuing education, their credits – up to three each year – will be paid by the district. If the teacher attends BSU or another higher-priced university, the district will pay 75 percent of the cost, up to three credits.

²⁵³ Oneida School District negotiated master agreement, Article 3.7.1.

²⁵⁴ Kuna School District 2011-12 master agreement, Article I.B.

²⁵⁵ Gem County School District 2011-12 master agreement.

Highland School District pays \$200 per credit, up to three credits, for continuing education each year.²⁵⁶ All of this takes place under the backdrop of schools claiming there's not enough money to teach students. At least we know what money is available is being spent on some form of teaching.

Some cash for employees to take flights in Glenns Ferry, Idaho

The Glenns Ferry School District has decided its employees are entitled to receive a free Life Flight membership thanks to area taxpayers.²⁵⁷ Life Flight is a helicopter medical service that comes to the scene of a medical emergency and transports a person to the hospital. Memberships, which prevent accident victims from being charged when Life Flight is used, cost \$50 per person annually.

Taxpayers, once again, are forced to pay for this perk that benefits the employees of the school district, even if taxpayers are left having to do without it.

Premium insurance for teachers

How many private sector jobs these days offer Cadillac health insurance plans? Few, and getting to be fewer every day. But a look at insurance benefits of some Idaho school districts. It seems some school employees are among of the most well-cared-for workers around.

For example, the Moscow School District has committed to pay up to \$685 each month in fringe benefits, including health and dental insurance, among other things.²⁵⁸ Wallace School District covers employees fully, but also gives \$525 a month to teachers who choose not to be on the group plan in favor of a personal policy.²⁵⁹

²⁵⁶ Highland School District 2011-12 master agreement.

²⁵⁷ Glenns Ferry School District 2011-12 master agreement, Section 10.

²⁵⁸ Moscow School District master agreement, Part 6.1.

²⁵⁹ Wallace School District master agreement, Part E.

Several school districts across the state pay 100 percent of premiums for employees. The Plummer-Worley Joint School District in north Idaho does this, as does the Nampa School District.²⁶⁰

Glenns Ferry School District offers to fully reimburse prescription drug deductibles of employees, spouses and dependent family members.²⁶¹

In both our school districts and in state government, Idaho would do well to move toward Health Savings Accounts. There's no reason in the world to have thousands of state and school employees getting such rich insurance benefits, especially at taxpayer expense.

Paying \$55,000 for a rapper named 'Fiasco'? Sounds about right

In the midst of last year's so-called budget crisis at Boise State, officials at the school still found a way to spend \$55,000 to bring a rapper to campus for a "free" concert.²⁶²

Rapper Lupe Fiasco, a man who called President Barack Obama the "biggest terrorist" in the country because of his foreign policy decisions, appeared at BSU's 2011 Spring Fling in Taco Bell Arena, an event just prior to finals week each year.²⁶³

No state money was spent on the performance, but that doesn't mean it wasn't a waste. Fiasco's \$55,000 fee, plus the goodies he requested for his dressing room, was funded through student fees.

While critics argue that money from fees comes from students so they should decide how to spend it, that's just not the case. Increases in student fees are requested by student government and approved by the State Board of Education.

More importantly, fees are not optional. If a student chooses not to pay fees, he cannot get his diploma.

²⁶⁰ Nampa School District 2011-12 master agreement, Article 2.10.2, Plummer School District 2011-12 master agreement, Article 8.2.

²⁶¹ Glenns Ferry School District master agreement, Article XV.J.

²⁶² Boise State public records request, May 2011.

²⁶³ *NBC Chicago*, "Lupe Fiasco Calls Obama A 'Terrorist,'" by Marcus Riley, June 8, 2011.

This is a classic scenario of taxpayers – in this case, students - being forced to pay for something they didn't want. The Student Events Board receives \$6 each semester from students each time tuition is paid. With 5,000 people in attendance at the event – including non-students from the community – it looks as if a lot of students paid for a concert they had no interest in seeing.

We must also factor the lost economic activity this event caused. Plenty of dance clubs and event centers can – and do – bring rappers to town, charging a nominal fee for tickets. How much economic activity could the Fiasco have created had a private entity brought him to town?

The Cato Institute has called expenses of this nature “Carnival Cruise-like attractions” that place ongoing burdens on present and future students.²⁶⁴

Colleges and universities spending money on lobbying

As we have throughout this report, we will again make a big deal about public entities spending money on lobbying efforts. Colleges and universities are spending on lobbying, though they take different routes to do it.

Boise State University, Idaho State University and the University of Idaho all have high-dollar staff positions to handle their lobbying activities, whereas two of the community colleges contracted with outside providers.

The University of Idaho leads the pack in lobbyist pay, giving its lobbyist, former state Sen. Joe Stegner, \$124,000 annually.²⁶⁵ Boise State follows next, paying Bruce Newcomb \$102,000 each year.²⁶⁶ Idaho State rounds out the pack, paying Kent Kunz \$92,000 annually.²⁶⁷

²⁶⁴ Cato Institute, “Taxpayers Carry the College Cost Load,” by Neal McCluskey, Nov. 7, 2003.

²⁶⁵ University of Idaho public records request, Nov. 12, 2011.

²⁶⁶ State controller's office public records request, May 20, 2011.

²⁶⁷ Ibid.

Boise State also pays Newcomb's assistant, Amy Johnson, \$70,054.²⁶⁸

The state's other four-year school, Lewis-Clark State College in Lewiston, does not pay a lobbyist, but instead works directly with state lawmakers on issues.

North Idaho College (NIC), located in Coeur d'Alene, has a yearly contract with Centra Consulting for \$24,000 a year.²⁶⁹ The state's newest community college, the College of Western Idaho (CWI) in Nampa, has an agreement for \$25,000 with Jeremy Pisca of Risch Pisca Law for a government relations contract.²⁷⁰

The state's other two-year school, College of Southern Idaho in Twin Falls, does not pay for lobbying, but instead has its president, Jerry Beck, work directly with area lawmakers. "Legislators, the governor's office and other state agencies seem to want to deal with us in person," said Mike Mason, vice president of administration for the school.²⁷¹

The big schools pay big for the services of their lobbyists simply because they can, and students largely bear the burden of the cost of those services, whether they know it or not.

We really love our university presidents

Tuition is going up at our state's universities. It only stands to reason that university presidents' salaries go up, too, right?

To illustrate the point, let's look at Idaho State University. In 2006, ISU interim president Mike Gallager received \$166,892 in compensation.²⁷² The next year, his replacement and permanent university headman, Arthur Vailas, took in \$260,000 in compensation from the school.²⁷³ A mere four years later, in 2011, Vailas was paid \$323,650.²⁷⁴

²⁶⁸ Boise State University public records request, Nov. 29, 2011.

²⁶⁹ North Idaho College public records request, May 23, 2011.

²⁷⁰ College of Western Idaho public records request, May 24, 2011.

²⁷¹ *IdahoReporter.com*, "Public colleges and universities take different routes in spending on lobbying," by Dustin Hurst, May 25, 2011.

²⁷² Idaho state controller's office 2006 "Rainbow Report," Jan. 3, 2006.

²⁷³ Idaho state controller's office 2007 "Rainbow Report," Jan. 2, 2007.

²⁷⁴ Idaho state controller's office 2011 "Rainbow Report," Jan. 4, 2011.

But Vailas isn't the university head getting the most off taxpayers and students.

Boise State University president Bob Kustra is being paid \$72,559 more in 2011 than he made in 2006.²⁷⁵ Kustra was paid \$336,419 in fiscal year 2011.²⁷⁶

University of Idaho president Duane Nellis made \$59,987 more in 2011 than his predecessor did in 2006.²⁷⁷ Nellis took home \$335,004 in 2011.²⁷⁸

Lewis-Clark State College president John Fernandez is bringing in \$32,000 more than his predecessor did in 2006.²⁷⁹ The college paid him \$162,654 in 2011.²⁸⁰

‘What he’s produced, I don’t know’ but it costs \$70k a year

Idaho State University professor Thomas F. Hale has been receiving his nearly \$70,000 annual salary for the past four years while not teaching a single class at the school. Hale was put on administrative leave in early 2007 after being charged with a felony in Utah.

The professor blames the school for not allowing him to teach. Hale was indicted in federal court in late 2006 after he allegedly sent a mailer containing a substance with a message that the substance could be hantavirus. The mailer went to a Utah-based bankruptcy trustee handling a case of his.

As for the nearly \$350,000 Hale has received from taxpayers while not teaching since the case began, college spokesman Mark Levine says the professor should be producing material for the Oral History Project, a

²⁷⁵ Idaho state controller's office 2011 "Rainbow Report," Jan. 4, 2011.

²⁷⁶ *OurIdaho.com* data.

²⁷⁷ Idaho state controller's office 2007 "Rainbow Report," Jan. 2, 2007.

²⁷⁸ *OurIdaho.com* data.

²⁷⁹ Idaho state controller's office 2007 "Rainbow Report," Jan. 2, 2007.

²⁸⁰ *OurIdaho.com* data.

program Hale oversees at the school. “What’s he’s produced, I don’t know,” said Levine.²⁸¹

So what is the professor doing with his taxpayer-funded time? “I’m doing what professors do,” he explained. “I’m preparing, to the best of my abilities, to teach the 10-13 courses I am assigned.” But that’s it; he does not teach, he says he simply prepares to do so.²⁸²

When asked if he might resign at any point to end the conflict and save Idaho citizens some money, the professor rejected the idea. “Why would I do that?” he asked. “I haven’t done anything wrong.”

It seems for now that Hale and the school will continue to remain in limbo while taxpayers continue to fund a non-teaching professor. ISU’s administrative handbook allows the school to terminate an employee if he is convicted of a felony, but not until that point.²⁸³

Some university information people are well-paid

What’s a reasonable salary to pay someone who handles public relations at a college or university?

We’re not sure, but some of Idaho’s universities can’t seem to agree. Two of the larger universities pay their information people much more than a small institution. Boise State University paid its head public relations man, Frank Zang, \$99,548 in 2011 and Mark Levine, press man for Idaho State University in Pocatello, made \$80,740 in 2011.²⁸⁴

University of Idaho is paying its head information specialist, Tania Thompson, \$74,444 this year.²⁸⁵ Thompson’s assistant, Joni Kirk, is making \$54,984 in 2012.²⁸⁶

²⁸¹ *IdahoReporter.com*, “Five months later, ISU professor still being paid not to teach,” by Dustin Hurst, May 2, 2011.

²⁸² Hale phone conversation with IFF staff, May 1, 2011.

²⁸³²⁸³ ISU administrative handbook, Part 4, Section IV(F).

²⁸⁴ *Ourlidaho.com* data.

²⁸⁵ University of Idaho public records request, Oct. 3, 2011.

²⁸⁶ *Ibid.*

But Bert Sahlberg, former spokesman for Lewis-Clark State College in Lewiston, made \$56,020 in the same position in 2011.²⁸⁷

Here's a mission: don't pay \$40,000 for a new mission statement

Sometimes elected officials shirk their duties and it ends up costing taxpayers.

Case in point: North Idaho College in Coeur d'Alene paid \$40,000 to a research group in Spokane, Wash., for polling to “help gauge the perception of NIC by all of its major constituencies so that those perceptions and ideas of where the college should be in the future can be incorporated into strategic planning.”²⁸⁸

Essentially, trustees turned to the Spokane company, Robinson Research, for help in crafting a new mission statement and strategic plan. Robinson was paid \$39,915 for its work.²⁸⁹

But isn't that why the people of Coeur d'Alene elected the school's board of trustees? Aren't they supposed to represent the community and know how to properly define the school's mission going forward?

More than \$500,000 in glass-fogging money in Boise

We've covered this for other school districts, but the Boise School District is also guilty of rewarding a select group of teachers simply for showing up to work.

Boise, like the Nampa and Meridian school districts, offers what it calls “longevity stipends” to teachers who have worked a certain number of years.²⁹⁰

²⁸⁷ Ibid.

²⁸⁸ NIC staffer Stacy Hudson email to IFF, Sept. 28, 2011.

²⁸⁹ Ibid.

²⁹⁰ Boise School District master contract, Article IV.E.2.

Teachers with 25 years in the district get \$500 annually. Educators with 26 years in the classroom get an extra \$1,000 a year. Those teachers with 27 or more years get \$1,500 in bonus money from taxpayers, simply for showing up on the job.

This is a very expensive provision in the master contract. District spokesman Dan Hollar said Boise expended \$285,000 on this in the 2010-11 school year and is spending \$279,000 in 2011-12.²⁹¹

Paying teachers \$100,000 to leave the district ... sort of

In 2011, we heard a lot of people complain that there are too many kids in classrooms.

Maybe the Boise School District can help us explain why they are paying teachers not to teach, but to take sabbaticals. It's a provision in the master contract and the district has allotted \$100,000 each year for the program.²⁹²

Teachers with at least seven years of experience in the classroom can apply for the program and must submit a detailed report of their activities upon return to the school district.

It's not fair that parents are being duped into thinking that schools are cramming kids into classrooms while Boise continues to pay teachers to take what amounts to paid time off.

More union business on the taxpayers' dime

Boise's devotion to its teachers union is endearing, as well as expensive.

The Boise School District master contract allows union officials to take days off to attend statewide association meetings. Unlike some other districts in the state, Boise does not require that the association reimburse the cost of substitutes and gives full pay to the staffers go to meetings.

²⁹¹ Hollar email to IFF staff Oct. 5, 2011

²⁹² Boise School District master contract, Article II.J.1.

The most expensive union-helping provision, however, is the one that allows Boise Education Association president Andrew Rath to be paid while not working in the classroom. Sure, the union reimburses the district for a starting-level teacher's salary, but there is quite a large difference between Rath's salary and that of a beginning educator.

Rath made \$75,000 last year, but a starting-level teacher makes \$31,864 annually. That means that about \$43,000 in taxpayer money – not to mention the health and retirement benefits for Rath – are going directly to fund teach union activity.

Other Treasure Valley districts have come to their senses thanks to the fiscal realities we all face. Or, more specifically, they came to their senses after we brought the issue to light in the 2011 Idaho Report on Government Waste. The Meridian School District ended funding of its association president in the 2011-12 school year.²⁹³

Boise needs more taxpayer dollars ... to pay union dues for teachers

Even as the Boise School District prepares for a push to promote a tax hike for school district residents the district pays a bunch of money for teacher professional development, an amount that has not been reduced during tough budget times, and has grown in recent years.²⁹⁴

The money is stipulated by the master contract for veteran educators.²⁹⁵ The contract, negotiated by district officials and Boise Education Association (BEA) personnel, mandates that the district must pay 1.132 percent of the salary of a teacher's previous year to each educator.

That means that in the 2011-12 school year, Boise will spend \$850,000 on the item. It's an amount that has grown, even while state funding for

²⁹³ *IdahoReporter.com*, Meridian School District will eliminate taxpayer support for union official, by Dustin Hurst, June 7, 2011.

²⁹⁴ Boise School District public records request, June 3, 2011.

²⁹⁵ Boise School District public records request, April 12, 2011.

school districts has declined. In the 2009-10 school year, Boise paid \$759,000 for professional development.²⁹⁶

Hollar said there is no set policy on how educators should use the money they receive, but there are recommendations. “The stipend may be used at the discretion of the employee; however, it is intended to encourage professional educators to participate in professional activities and organizations, assist with continuing education expenses, purchase professional journals and books, etc.,” Hollar explained.

While there are no official records kept once the stipend is paid to teachers, the district gives the association a perk that allows schools to automatically deduct union dues from a teacher’s check and send them straight to the BEA. Automatic dues deduction is not mentioned in the master contract for any other professional membership organizations.

Boise is heading in a different direction with money possibly going to union dues than another school district in the Treasure Valley. In the 2011-12 school year, the Nampa School District will not reimburse teachers for union dues in order to save money. Nampa spent about \$133,000 on that expense in the 2010-11 school year, though it only allowed a flat \$300 per educator and not a percentage of salary like Boise.²⁹⁷

You’re a part-time worker? Here’s some cash!

The Boise School District gives out money for some odd reasons. One of the oddest is a provision in the master contract that gives part-time teachers \$250 annually solely because they don’t work full time.²⁹⁸

What’s the district’s explanation of this expenditure? “The part-time stipend pays for part-time staff to attend district meetings, building meetings, and collaboration,” said district spokesman Dan Hollar.

Oh, collaboration! Now we get it. That is definitely worth it.

While this isn’t a huge expenditure, the money could better serve students. Hollar says the district spent \$29,500 on this in 2011 and is

²⁹⁶ Boise School District public records request April 12, 2011.

²⁹⁷ Nampa School District public records request, March 16, 2011

²⁹⁸ Boise School District 2011-12 master agreement Article V.G.

paying another \$26,500 for in 2012.²⁹⁹ That amount nearly equals the starting salary of one teacher.

No-premium insurance

The Boise School District, like others in the state, gives its full-time teachers insurance and forces taxpayers to pay 100 percent of the cost.

The master contract between the district and the Boise Education Association says that “the District shall provide, at no premium cost to the professional employee who is employed on a full-time equivalency contract, the following:

1. Employee hospital, surgical, and major medical coverage.
2. Employee dental coverage.
3. Employee vision coverage.
4. An employee \$50,000 group term life policy, with \$50,000 AD&D and spouse and dependent term life coverage.”³⁰⁰

How much do these over-the-top benefits cost state and local taxpayers? In the 2010-11 school year, taxpayers spent more than \$11 million on benefits.³⁰¹ That number is slated to increase by at least 3 percent this year.³⁰²

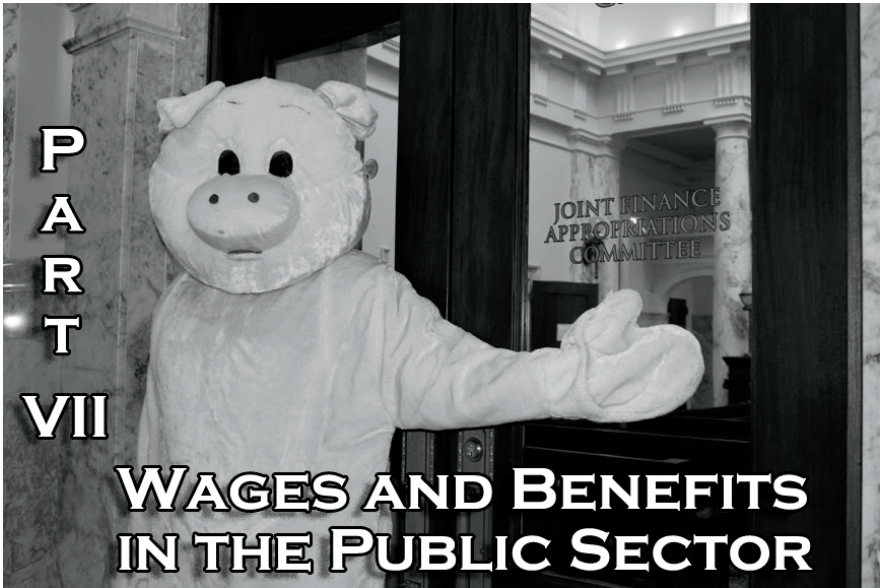
As we’ve mentioned in other portions of this report, these figures are startling and a little unnerving. When school district officials ask for more money this year, ask them how many more teachers could be brought on if only full-time staffers would pay some of their own medical costs.

²⁹⁹ Hollar email to IFF staff Oct. 5, 2011.

³⁰⁰ Boise School District 2011-12 master contract, Article III.A.

³⁰¹ Boise School District public records request, Nov. 30, 2011.

³⁰² *Ibid.*



To the extent that government is needed, that government is going to have employees. It then stands to reason that these public employees will be paid for their services. But such pay and compensation shouldn't overtake what's offered in the private sector. So high are some of the wages and benefits for government employment that it is often difficult for the private sector to compete against its public sector counterpart.

On top of that, public employees benefit from very generous pensions -- so generous that they're almost entirely unsustainable in the real world. When wages and benefits for the people in government eclipse the money being made by the people paying the bills (the taxpayer), you have to wonder which is the entitled class and which isn't. In the pages that follow, we've identified examples of where the wages and benefits in government are just outside of reality.

As lawmakers make cuts in state budget, their staffs take home bonuses

Judging by news reports and comments from state leaders, the Idaho state budget is full of cuts and trims that affect everyone. But, during

lean times, many in state government are still getting their bonuses. The one part of state government where bonuses are glaring is in the Legislative Services Office (LSO), which offers support for lawmakers.

At the end of the last budget year, LSO paid bonuses topping \$1,200 to 59 employees. The \$94,633 given out is almost 42 percent of bonuses given out to state employees in that budget.³⁰³

“I think the employees we have left that are doing more with less deserve that kind of recognition and compensation,” said LSO Director Jeff Youtz. He said that the bonuses are within his agency’s budget, and come after three years of no pay increases and a loss of six staff members.³⁰⁴

Youtz gets to spend LSO’s money with only the part-time Legislature in an oversight role, though other state officials say handing out such bonuses is unusual.

“We have not allowed agencies to give bonuses to every single employee,” said Wayne Hammon with the Division of Financial Management, which handles most other bonuses for state workers. “DFM has worked with [other agencies] to minimize the bonuses and salaries, just because we’re trying to be fair across all the state agencies.”³⁰⁵

State lawmakers still gaming the public pension system to earn fat retirements

In 2011, lawmakers didn’t deal with some of their colleagues who are gaming the Public Employee Retirement System of Idaho to earn huge – and unfair – taxpayer funded pensions.

Last year, three former lawmakers demonstrated how expensive this problem can be.

³⁰³ *IdahoReporter.com*, “Legislative workers got nearly \$100,000 in bonuses this year,” by Brad Iverson-Long, June 17, 2011.

³⁰⁴ *Ibid.*

³⁰⁵ *Ibid.*

In December, former Sen. Joe Stegner, R-Lewiston, took a post as head lobbyist of the University of Idaho, a post paying \$124,000 annually.³⁰⁶

If Stegner stays on the job at least 42 months, he can jump his public pension at least tenfold. If Stegner had simply retired at the end of next year – his 14th year in the Legislature – he would receive a pension payout of about \$373 per month, or a \$4,480 annually.³⁰⁷ If Stegner stays with the school 42 months at his starting wage, his pension payout will increase to approximately \$3,410 a month, or \$40,920 annually.³⁰⁸

In June, former Rep. Debbie Field showed the other end of the problem as she exited her post as the head of the Office of Drug Policy. Field, who served 10 years in the Legislature, was paid \$74,000 as head of the office.³⁰⁹

She retired after 43 months in the position, barely clearing the 42-month threshold.

Had she retired when she lost her re-election race in 2006, her legislative pension would have amounted to about \$443 per month, or approximately \$5,316 a year.³¹⁰ With her legislative and drug policy months combined in the retirement system, her pension will be more than four times higher at \$1,921 a month, or \$23,052 annually.³¹¹

Former Sen. Pro Tem Bob Geddes will also get a spiked pension if he stays on as chairman of the oversight board at the Idaho State Tax Commission for more than 42 months. Gov. Butch Otter tapped Geddes for the post, which pays \$85,000 annually, in January.³¹² Geddes can spike his pension by more than \$2,500 a month – or more than \$30,000 annually – if he meets the time threshold.³¹³

Rep. Dennis Lake, R-Blackfoot, in the past has introduced legislation to end the practice and separate legislative service from timed worked in

³⁰⁶ University of Idaho public records request, Nov. 12, 2011.

³⁰⁷ IFF calculation based on pension payout formula.

³⁰⁸ Ibid.

³⁰⁹ State controller's office data, Dec. 22, 2010.

³¹⁰ IFF calculation.

³¹¹ *IdahoReporter.com* calculations.

³¹² *IdahoReporter.com*, "Otter taps Geddes as newest member of tax commission oversight board," by Dustin Hurst, Jan. 18, 2011.

³¹³ Ibid.

other government jobs. The bill never received a formal hearing, but Lake plans to bring it back this year.

Private groups, including the teachers union, get in on the pension-spiking fun

While we are quick to notice state lawmakers spiking their pensions by taking high-paying state jobs after lengthy careers in the Legislature, it turns out they are not the only ones doing it.

After six years as president of the Idaho Education Association, Sherri Wood retired in August 2011 and will also receive a spiked pension because her private organization is a member of the Public Employee Retirement System of Idaho (PERSI).

Due to her 28 years at Van Buren Elementary in the Caldwell School District prior to her service as the IEA president, Wood already qualifies for a public pension. Her larger salary while serving as the IEA's top state official, however, means she will see an even bigger monthly payment from PERSI. According to the IEA's 2010 non-profit filing, Wood earned \$105,000 in salary that year.³¹⁴

Based on calculations using her higher salary while at the IEA, Wood's monthly pension will be about \$5,950. That means PERSI will pay her approximately \$71,400 each year for the rest of her life.³¹⁵

Had she not taken the IEA post and simply worked at Van Buren for the past six years before retirement, her pension would have been much lower than what she is projected to receive. According to a records request, Wood's salary prior to leaving the school to take the IEA job was approximately \$50,000 a year³¹⁶. If she held that level of pay for 42 consecutive months, her pension payment would have been about \$34,000 annually, or about \$2,833 a month.³¹⁷

The IEA is not the only private group utilizing the public retirement system. Others, including the Idaho Public Employees Association, the

³¹⁴ IEA's 2010 Form 990, Part VII.

³¹⁵ IFF calculations.

³¹⁶ Idaho Department of Education, Aug. 24, 2011.

³¹⁷ IdahoReporter.com calculation.

Idaho School Board Association, the Idaho Association of Counties and the Idaho Association of School Administrators, also take part in the program.³¹⁸

Wood's replacement, Penni Cyr, a 30-year veteran from Moscow High School, will receive the same pension bump if she remains in the post at least 42 months. Cyr made about \$60,000 last year with the district, substantially less than \$100,000 salary she will likely receive from the IEA.³¹⁹ If she meets the 42-month requirement, she will jump her pension by about \$30,000 annually.

Sure, state law allows this practice to take place.³²⁰ But no one can explain why taxpayers should subsidize the retirements of private officials.

The couch that doubles as a second home

In late September, the Associated Press reported that Sens. John McGee and Curt McKenzie had claimed extra per diem payments during the 2011 legislative session. According to data, McGee took as much as \$6,000 in extra per diem money.³²¹

McGee claimed the \$122 allowance for lawmakers who establish a second residence in Boise during the legislative session. It turns out that McGee was residing at his parents' house and claiming the money. He would not say if he paid rent to his parents.

McGee, who lives 26 miles from the Capitol, would typically qualify for the \$49 per day allowed for lawmakers who don't establish a second residence during the session.

McKenzie also claimed money for the second residence even though he sleeps on a couch in his law office just two blocks north of the Capitol. McKenzie says he pays extra for the office with couch space, thereby justifying the second residence money claim.

³¹⁸ PERSI year-end report, June 30, 2010.

³¹⁹ *AccountableIdaho.com* data.

³²⁰ Idaho Code 59-1302.

³²¹ *Idaho Statesman*, "Senator gets cash, sleeps at parents' home," by John Miller, Sept. 30, 2011.

It's hard to argue that taxpayers benefit by paying \$129 a night so McKenzie can sleep on a couch and McGee at mom and dad's.

A little per diem payment adds up to a big retirement payout

McGee and McKenzie, and indeed any lawmakers living within 50 miles of the Capitol, have their per diem payments taxed and counted toward retirement benefits. Legislators outside the 50-mile radius receive their per diem money in a simple reimbursement that is not taxed, nor is it counted in pension calculations.³²²

That's a function of a 1981 federal law, backed up by state statute, and it creates an inequity among Idaho lawmakers.

It can be a big and expensive problem. Records show McGee and McKenzie each earned \$32,986 in 2009, \$27,842 in 2010 and \$29,052 in 2011.³²³

For comparison, Senate Majority Leader Bart Davis, R-Idaho Falls, earned a little more than \$18,000 in each of the past three years.³²⁴ Davis, being out of the 50-mile radius, received his per diem payments in the form of reimbursements from the Senate.

That means that when the senators eventually retire, McGee and McKenzie will receive a higher amount than Davis for what could be considered the same amount of work assuming the same years of service.

That inequity doesn't sit well with Rep. Dennis Lake, R-Blackfoot, who heads the House Revenue and Taxation Committee. "Everyone should be treated equally when it comes to PERSI benefits," Lake said.³²⁵

³²² *IdahoReporter.com*, "Closer look reveals all Treasure Valley lawmakers benefit extra from per diem money," by Dustin Hurst, Oct. 5, 2011.

³²³ *AccountableIdaho.com* data.

³²⁴ *Ibid.*

³²⁵ Phone conversation with IFF staff, Oct. 5, 2011.

Government's job is not to guarantee a cushy retirement

While we believe that government has some legitimate purposes, providing a cushy – and guaranteed – retirement for workers is definitely not one of them.

Those who think the state could do more to fund teachers might want take a serious look at how much the government spends on pensions.

In 2011, government agencies spent a whopping \$274 million in retirement accounts for public workers, a number will likely go up in the next few years.³²⁶

Idaho pays 10.4 percent of each employee's salary into the public retirement, while workers pitch in about 6.23 percent.

Under a defined-contribution plan, public employees could still get a healthy retirement, but it would free up millions in taxpayer funds that could be used on other necessary programs, or provide needed tax relief to Idahoans.

Pension plans are outdated, expensive and can't be transferred to the 401(k) plan most businesses in the private sector use.³²⁷ In fact, a majority of Fortune 100 companies have moved away from guaranteed benefit plans into the 401(k).³²⁸

We make more than the guy who runs the place

As the head man for the state of Idaho, Gov. Butch Otter makes \$110,743 each year.³²⁹ But from looking at the salaries of some state workers, you would wonder who is in charge of this place.

Data shows that in 2011, some 298 employees made more than Otter.³³⁰ It is interesting – and a little disheartening – to note that the number of state workers making more than their boss has tripled since 2002. Not

³²⁶ 2011 PERSI actuarial report, page 32.

³²⁷ *USA Today*, "Traditional company pensions are going away fast," by Sandra Block, May 22, 2009.

³²⁸ *Ibid.*

³²⁹ Idaho Code 59-501

³³⁰ State controller report, Jan. 4, 2011.

only is this hard on agency budgets in the short term, it will mean higher retirement costs in the long term. Higher-paid employees require agencies to pitch in much more to retirement accounts each year.

Contrast the numbers on the chart below with the median household income for average Idahoans - \$44,644 in 2009, down from \$46,136 in 2007 – and you will see that some state workers are getting a sweet deal.³³¹

Year	Gov's annual salary	Highest paid employee	# of Employees Paid More Than Gov.
2002	\$98,500	\$167,065	97
2003	\$98,500	\$176,592	148
2004	\$98,500	\$176,592	166
2005	\$98,500	\$270,004	202
2006	\$98,500	\$275,017	213
2007	\$105,560	\$400,004	213
2008	\$108,727	\$725,108	284
2009	\$108,727	\$806,998	307
2010	\$115,348	\$987,750	212
2011	\$110,734	\$915,636	298

Our head librarian is now worth \$20,000 more

How many people do you know who received a \$20,000-per-year raise in the last four years?

We know of one, but of course she's a government employee. Bette Ammon is that worker.

Ammon is the head librarian at the Coeur d'Alene library system and earned \$76,176 in fiscal year 2008.³³² Apparently Ammon, who has not received a promotion, is doing her work much better and faster because she is making \$98,292 in fiscal year 2012.³³³

This recession has been tough on everyone, but not this particular government worker.

³³¹ U.S. Census Bureau data.

³³² Coeur d'Alene city public records request, Oct. 13, 2011.

³³³ Ibid.

More than \$1,000 per fire call

Should a fire chief be paid \$1,000 for each call his department takes each year?

That's essentially what's occurring with the fire chief in Dover, a small town just south of Sandpoint in Idaho's panhandle.

Westside Fire District Chief Jim Tucker is paid \$80,000 annually.³³⁴ His district, covering a town of about 400 people, took 75 calls in 2010.³³⁵ Compare that to the Boise Fire Department, which took more than 18,000 calls in the same year. Boise fire chief Dennis Doan makes \$109,056 each year.

A look at neighboring fire departments might be able to give a clue as to how much work Tucker and his team do at Westside. Jim Walcker, chief at Shoshone Fire District No. 1 in Osburn, makes \$45,000 annually.³³⁶ The Shoshone Fire District, which covers an area with about four times the population of Dover, responded to 350-400 calls last year, the majority of which were requests for medical service only.³³⁷

The head of another nearby fire agency, Robert Webber of the Sagle Fire District, makes \$52,000 annually.³³⁸ Sagle, with a population of about 5,600, is about 14 times the size of Dover. According to records, Sagle took 634 calls in 2010.³³⁹

Part-time work, full-time benefits for state lawmakers

Every fourth grader who studies Idaho government knows Idaho lawmakers are part-time employees. Idaho is lucky not to have a full-time Legislature like some other states. Still, state legislators, who are in session just a few months out of the year, take full-time health and dental benefits paid by taxpayers.

³³⁴ Westside Fire District public records request, June 30, 2011.

³³⁵ Ibid.

³³⁶ Shoshone Fire District information request, June 30, 2011.

³³⁷ Ibid.

³³⁸ Sagle Fire District information request, June 30, 2011.

³³⁹ Ibid.

Idaho residents spent \$870,713 on these benefits in 2010 and another \$764,804 in 2011.³⁴⁰ In 2011, state legislators paid about \$30 each month for their full health insurance, while part-time state workers had to shell out about \$302 on a monthly basis for theirs.³⁴¹

To put it in perspective, if lawmakers had cut their 2010 benefits in half, the state could have provided funding for 14 starting-level teachers.

There are disagreements if lawmakers are full-time employees. Even the Citizens Committee on Legislative Compensation thinks this is an issue that must be hashed out by lawmakers themselves.

“Currently, the issue of whether members of the Idaho State Legislature serve on a full-time or part-time basis is the subject of important public discourse. The members of the Citizen’s Committee recognized that members of the Idaho State Legislature are elected for two-year terms, are paid on a salary basis and perform important legislative functions outside the confines of the regular sessions. While these factors may weigh in favor of treating members of the Idaho State Legislature as serving on a full-time basis, there may be other views that weigh in favor of a part-time designation.

Only the Legislature can resolve this matter by its own affirmative action.”³⁴²

But a former member of the administration has come out strongly against legislators being considered full time. Mike Gwartney, the former head of the Department of Administration, wrote in a newspaper op-ed that part-time employees should bear more of the burden of their health costs.

“Should an employee, who works the equivalent of 25 percent of the year, receive the same premium contribution from the state as a full-time employee who works all year? A full-time employee would probably agree that the pro-rata structure is more fair and equitable. A part-time employee who is facing higher premiums may disagree,” he wrote.³⁴³

³⁴⁰ State controller’s office public records request, Sept. 29, 2011.

³⁴¹ Department of Administration FY 2011 group insurance handbook, with PPO plan chosen for full-time employees and then part-time workers.

³⁴² Citizens Committee on Legislative Compensation letter to legislative leadership, Sept. 16, 2010.

³⁴³ *Idaho Statesman*, Sept. 13, 2009.

Part-time work, full-time benefits part II

No city in Idaho has full-time councilors, yet many municipalities offer full-time benefits for council members. All cities which provided data to the Idaho Freedom Foundation showed that city councilors received either nearly or a full 100 percent of the health premiums, paid for by taxpayers.

In 2010, Boise paid \$96,324 in insurance costs, a number that jumped to \$107,607 in 2011.³⁴⁴ The Boise figures include covering expenses for the mayor, who is a full-time employee. Councilors are asked to pay between 4-6 percent of the premiums each month.³⁴⁵

The city of Coeur d'Alene in north Idaho covers 100 percent of health and dental premiums for councilors and the mayor. Health and dental expenses for councilors and the mayor cost taxpayers \$75,950 in 2010 and \$82,511 in 2011.³⁴⁶

Idaho Falls and Caldwell follow Idaho Falls in providing full health benefits for councilors and their mayors. Idaho Falls spent \$83,621 in 2010 and \$97,840 in 2011 on premiums.³⁴⁷ Caldwell spent \$58,387 in 2010 and \$45,984 in 2011.³⁴⁸

Some of the highest council-paid premiums of Idaho's major cities are found in Pocatello. Some of the councilors in the fifth-largest Gem State city pay as much as 12 percent of their premiums, though the majority cover somewhere between 6 and 10 percent. Pocatello spent \$30,691 on health premiums in 2011.³⁴⁹

City councils, as food for thought, meet a few times per month in formal voting sessions, no doubt some other times for workshops on city issues, as individuals probably hear complaints and recommendations from constituents during the month. Does that sound like 40 hours per week, 12 months a year, 52 weeks per year?

³⁴⁴ Boise city public records request, Sept. 15, 2011.

³⁴⁵ Ibid.

³⁴⁶ Coeur d'Alene city public records request, Sept. 14, 2011.

³⁴⁷ Idaho Falls city public records request, Sept. 13, 2011.

³⁴⁸ Caldwell city public records request, Sept. 13, 2011.

³⁴⁹ Pocatello city public records request, Oct. 6, 2011.

Some city council folk like to tell us that their jobs take on a “full-time” feel – they’re having to attend meetings all the time and respond to constituent complaints. If elected officials are working too much, it’s because government is doing too much, not because people need more from government.

A golden parachute worth \$114,000

Working for government agencies can have some really sweet – and expensive – perks, but almost none are quite as good as the \$114,000 golden parachute the Capital City Development Corporation (CCDC) - Boise’s urban renewal agency – provided to its former director.

In March of 2011, CCDC initiated a year-long consulting contract that was more than that with Phil Kushlan, who headed the agency for 12 years.³⁵⁰ While it appears Kushlan will be doing some amount of the work for the money, the contract shows a dark side to the cushy arrangement.

The document between the two parties says “the parties seek to memorialize consultant’s retirement from his employment with CCDC after twelve years of exemplary service as CCDC’s Executive Director and agree to the terms of consultant’s provision of administrative services to CCDC on a consultive basis for a specified term to assist in the selection of a replacement Executive Director and in the transition of the replacement Executive Director hired by CCDC, to fully engage in those activities.”³⁵¹

How much work Kushlan will perform is even suspect. The document also states that “CCDC agrees that it will have no right to control or direct the details, manner, or means by which consultant accomplishes the results of the services performed hereunder. Consultant has no obligation to work any particular hours or days or any particular number of hours or days.” Kushlan is at least required not to let the work he performs for other clients interfere with whatever he might be doing for CCDC.

Doesn’t sound like Kushlan will have a hard time with that.

³⁵⁰ *Boise Guardian*, “CCDC chief to get \$114,000 retirement bonus,” May 16, 2011.

³⁵¹ *Ibid.*

Remember he is getting \$114,000 for his work for CCDC. This is more than fishy; this agreement is an abuse of the system and proof that too many in government only want to take care of their own.

We can't give you a raise, but here's a bunch of extra time off

As we mentioned in a prior chapter, tough budget times prevented the city of Caldwell giving some of its employees a raise this year, but that didn't stop the city from handing out taxpayer funds to workers.

Some city workers – namely the firefighters – were afforded raises due to contractual obligations. Other employees did not receive a raise. So, instead of handing extra money to those employees who didn't get pay hikes, the Caldwell City Council approved an extra 58 hours of time off for all workers, part-time staffers included.

The council and the mayor reasoned that because most workers hadn't received a raise since 2008 and had endured more work because of position reductions, the 58 hours of extra overtime would compensate. To break it down, that means eligible workers will receive an extra week of paid time off on top of what they already receive. The city says the extra time off cost taxpayers more than \$223,000.³⁵²

In a time when a 9 percent unemployment rate for Idaho has become the norm, maybe these city workers should be thankful just to have jobs instead of giving them huge amounts of taxpayer-funded vacations.

Need a recession-proof job? Check with your local city

If anyone has had trouble keeping a job during the past few years of economic hardship, they might want to check with their cities.

Data provided shows that all the major cities in Idaho not only kept the same number of employees during the past few years, but actually increased the number of workers on the payroll. While many of these cities experienced population increases, a majority of them outpaced that with the growth in city workers.

³⁵² Caldwell public records request, Oct. 5, 2011.

Between 2006 and 2010, Meridian led the way in adding more workers, bringing 67 more employees on the payroll, an increase of 23 percent.³⁵³ Meridian experienced a 13 percent population increase during those years.³⁵⁴

Nampa added the most employees during the time span, 79, but was second in percentage of worker growth.³⁵⁵ Nampa's population jumped 6 percent in the five-year span, but the workforce grew 14 percent.³⁵⁶

Twin Falls increased its workforce by 26 employees, a jump of 13 percent, while experiencing a 10 percent population spike.³⁵⁷ Lewiston had a 1 percent population spike in the five-year span, but added 26 employees, a 10 percent hike.³⁵⁸ Pocatello increased its population 1 percent, but added 2 percent to its workforce.³⁵⁹

Four cities, Post Falls, Idaho Falls, Boise and Caldwell, had lower employee growth than their respective population increases. Post Falls had a 13 percent jump in population but added 9 percent more workers, while Idaho Falls added 7 percent more employees while growing 9 percent.³⁶⁰

Caldwell had the largest growth of any large city, adding 25 percent to its population, though it only added 10 percent – or 26 employees – to its workforce.³⁶¹ Boise added 2 percent more workers while enjoying a 3 percent population increase, though its added worker number, 29, is the fifth-most of the 11 major Idaho cities.³⁶²

Coeur d'Alene is the only city that kept employee and population growth in proportion. The north Idaho city grew 8 percent between 2006 and 2010 and added 25 workers to payrolls, also a jump of 8 percent.³⁶³

³⁵³ 2010 Meridian Certified Annual Financial Report.

³⁵⁴ 2010 U.S. Census Bureau data.

³⁵⁵ 2010 Nampa Certified Annual Financial Report.

³⁵⁶ 2010 U.S. Census Bureau data.

³⁵⁷ 2010 U.S. Census data and 2010 Twin Falls Certified Annual Financial Report.

³⁵⁸ 2010 U.S. Census data and 2010 Lewiston Certified Annual Financial Report.

³⁵⁹ 2010 U.S. Census data and 2010 Pocatello Certified Annual Financial Report.

³⁶⁰ 2010 U.S. Census data and 2010 Post Falls Certified Annual Financial Report, 2010 U.S. Census data and 2010 Idaho Falls Certified Annual Financial Report.

³⁶¹ 2010 U.S. Census data and 2010 Caldwell Certified Annual Financial Report.

³⁶² 2010 U.S. Census data and 2010 Boise Certified Annual Financial Report.

³⁶³ 2010 U.S. Census data and 2010 Coeur d'Alene Certified Annual Financial Report.

What do these numbers show? City workers are exempt from economic struggles thanks to the money provided through property taxes. Even cities that kept employee growth under population increase rates are proving that government jobs are essentially recession-proof.

Club memberships on the taxpayers' dime

A number of Idaho's elected officials are members of elite clubs thanks to Idaho taxpayers.

Through a series of records requests, the Idaho Freedom Foundation has learned that all seven statewide offices and both chambers of the Legislature spend thousands each year on association memberships.

Records show that the seven constitutional officers spent \$134,000 on this in 2011, while the Idaho House and Senate expended \$142,804 on its own association memberships.³⁶⁴

Included in the \$134,000 figure for the seven statewide officers is Gov. Butch Otter's \$36,000 for his membership in the Western Governors Association.

Otter did drop a membership in the National Governors Association two years ago as a cost-savings move.

Of course, the offices and chambers with memberships in the various associations are going to say they are worth the expenditure. Would you expect them to say anything different?

Paying for limos is a stretch

In November 2011, the news media that Treasurer Ron Crane's office had spent thousands of dollars on stretch limousines on trips to New York.

In addition, Crane's office paid for family members of certain officials to go along for the ride.

³⁶⁴ Idaho House records request, June 10, 2011, and Idaho Senate public records request, Oct. 10, 2011.

According to accounts, the state treasurer's office spent at least \$10,000 between 2009 and 2011 on stretch limos, Lincoln Town Cars and other executive sedans while in the Big Apple when taxis would have sufficed.³⁶⁵ A taxi ride from the airport to Manhattan costs \$50, while limo rides can cost five times as much.

Crane and other officials travel to New York regularly to sell securities and bonds on behalf of the state. Family members traveling along paid for their own airfare, food and other expenses.

The treasurer's office initially defended the expense, saying that the large cadre of officials and family members necessitated the larger cars. But is that really the case? Maybe if family members stayed home, smaller cars would have been able to carry the load.

Even if a large amount of officials were necessary for a trip, maybe they could have used several taxis instead of the limos.

Crane eventually reversed course and said that if officials' family members added to the cost of ground transportation, they should have to pay.³⁶⁶ To measure the impact of this decision, picture Idaho's public servants tooling around New York City in stretch limos while the state's unemployment rate is in double-digits.

The state is guilty of a providing a cushy retirement for judges

How many private companies give workers 75 percent of their annual wages in retirement?

We're not sure, but we know of one public entity that does just that: the state judiciary, via the Idaho Judge's Retirement Fund. The pension payout is based on a judge's yearly salary and how long he has been behind the bench. Idaho law permits judges to earn up to 75 percent of the yearly salary in retirement.³⁶⁷

³⁶⁵ *Idaho Statesman*, "Idaho State Treasurer Ron Crane's office defends hiring limos for NYC trips," by John Miller, Nov. 4, 2011.

³⁶⁶ *KBOI2.com*, "Treasurer: Family who hike NYC trip costs must pay," Nov. 8, 2011.

³⁶⁷ Idaho Code 1-2001.

With most of the judges in the Idaho courts system make more than \$100,000, it's easy to see how this could add up for taxpayers.³⁶⁸ Patti Tobias, head administrator for the court system, believes the retirement perk is necessary in retaining quality judges.³⁶⁹

The system paid out \$4.8 million in benefits last year to 80 retirees or their spouses.³⁷⁰ At the end of the fiscal year, the account was only about 81 percent funded with \$63,140,136 in assets.

Typically, judges average about \$60,000 a year in pension payouts.³⁷¹ Tobias says she is willing to work with the Legislature to find ways to make the fund more sustainable, but the solution is very simple: Reduce the payout for judges.

Conclusion

Even in Idaho, government is too big. It tries to do too much – usually with limited results. Sure, we've managed to cut some government programs in recent years, but too many programs remain attempting to accomplish too much at the expense of the private sector. There is no reason in the world we should have as much government as we do – overseeing our activities, controlling our economy, deciding our behaviors and planning our futures. It is an unfortunate place we find ourselves today. Idaho's government – far superior to that of the federal government – should be much smaller than it actually is.

Ezra Taft Benson, in "The Proper Role of Government" wrote, "I believe we Americans should use extreme care before lending our support to any proposed government program. We should fully recognize that government is no plaything. As George Washington warned, 'Government is not reason, it is not eloquence - it is force! Like fire, it is a dangerous servant and a fearful master!' It is an instrument of force and unless our conscience is clear that we would not hesitate to put a man to death, put him in jail or forcibly deprive him of his property for failing to obey a given law, we should oppose it."

³⁶⁸ Idaho state controller's office 2011 "Rainbow Report, Jan. 4, 2011.

³⁶⁹ Email from Tobias to IFF staff, Nov. 10, 2011.

³⁷⁰ Email from to Tobias to IFF staff, Nov. 17, 2011.

³⁷¹ *IdahoReporter.com*, "Retirement fund for Idaho judges could face changes," by Brad Iverson-Long, Nov. 13, 2010.

Shall we put people in jail for failing to pay their taxes so that we can fund Idaho Public Television? Shall we jail people for failing to fund the Idaho Arts Commission? The Idaho Hispanic Commission? Shall we tell people that they should take money out of their wallets, and instead of using the cash to feed their own children, they should instead use that money to help their neighbors put insulation in their home? Shall we tell people they will lose their freedoms unless they're willing to subsidize someone else's business?

It sounds hyperbolic but it is, after all, an accurate reflection of what Idaho's public policies establish today. Every government program comes at some expense. Someone has to pay the bill, or risk their very freedom. And often, the person whose freedom is at risk is the person that program is supposedly attempting to help.

When we say government it is too big, it is not because it is rhetoric that is pleasing to the ear or because it helps facilitate a political agenda. It is a truth that impacts and is felt in the lives of everyday Idahoans.

Policymakers throughout the state should be challenged to do everything possible every day to restore the balance of freedom by restoring government to a small form whose interaction in our daily lives is relatively insignificant.

*Restoring Liberty,
Improving Lives*

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