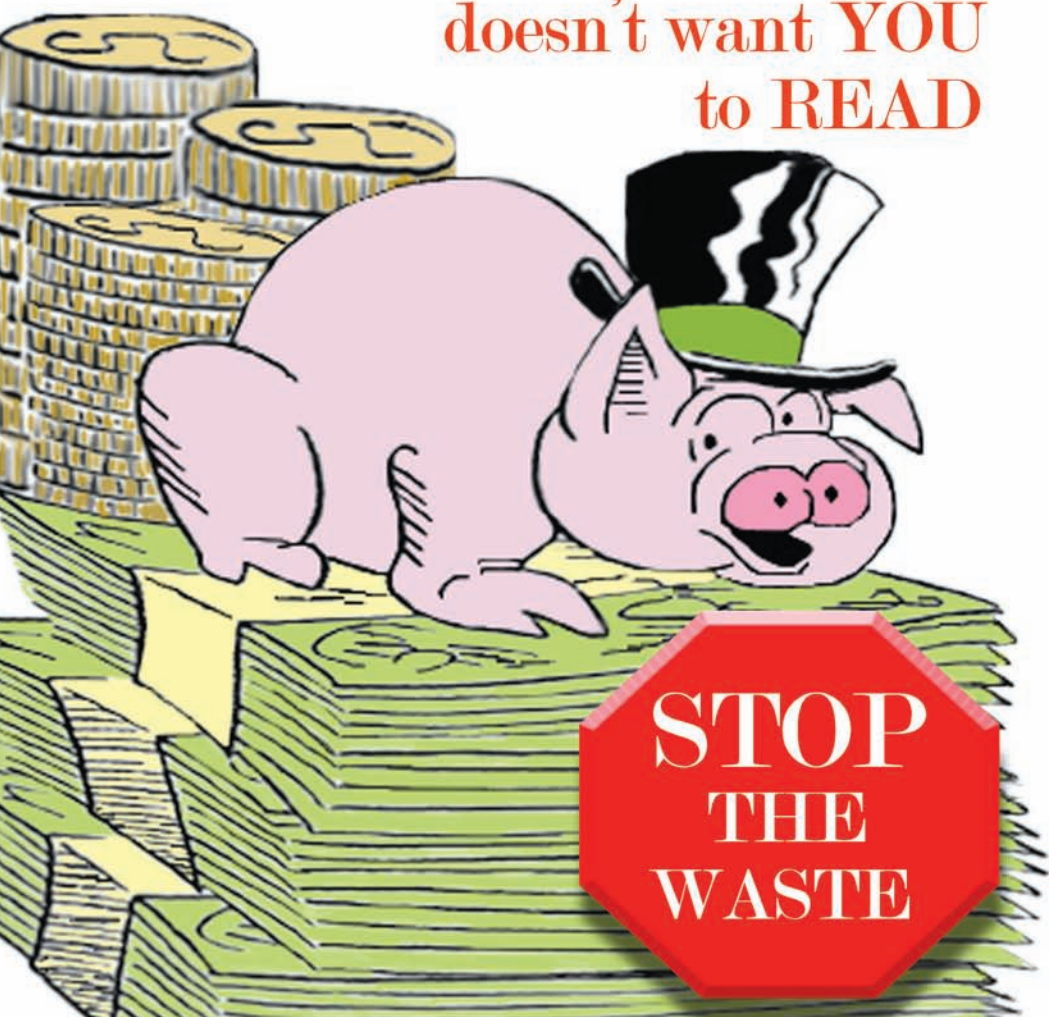


2010 Idaho Pork Report

The BOOK Idaho's Government
doesn't want YOU
to READ



2010 Idaho Pork Report

Idaho Freedom Foundation

Citizens Against Government Waste

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INTRODUCTION

There is no government or private sector budget with items labeled “government waste,” or “junket” or “fraud and abuse.” When the Idaho Freedom Foundation began reviewing state and local government records in search of waste, elected officials and bureaucrats claimed that there is very little to discover – that with the recession and cost-cutting measures at all levels of government, there’s no room for frills. As it turns out, that was hardly the case, and no one should be surprised.

Nonetheless, it is surprising that Idaho taxpayers are being forced to pay for such extreme excess such as:

- Government-funded filth
- Legislators who never show up for work
- Unnecessary air travel
- Furniture purchases
- Movie nights
- Magicians

All of these expenditures were done under the watch of the stewards of the taxpayer dollar during a budget crisis. It doesn’t take a rocket scientist to figure out why this happened.

First, Idaho’s government has always lacked true government transparency. It’s a formula that encourages waste. Government employees find themselves spending money under the cover of darkness that they wouldn’t spend under the warm glow of a public spotlight.

Second, there’s never been a real analysis of government services. Idaho lawmakers are good at adding programs, agencies and services, and woefully lax when it comes to eliminating the same, even during hard times.

Third, whenever Idaho policymakers have been confronted with a dilemma, they automatically gravitate toward raising taxes instead of cutting government

spending. In 2003, state leaders were given a chance to cut government spending in order to balance the budget. They made some cuts, but raised sales and cigarette taxes.

In 2009, proposals were floated to raise gas, wine and beer taxes – instead of eliminating useless programs and agencies. While lawmakers rejected all proposals for raising taxes in 2009, many left the door open for tax hikes in the future – when the economy improves and Idahoans are better off financially.

This publication serves to prove that taxes don't need to be raised; there's plenty of government to raze instead. Government has not been "cut to the bone." If the state has a need to repair or build roads, government waste should be cut and that money could be used to get the job done.

The *2010 Idaho Pork Report*, published by the Idaho Freedom Foundation and Citizens Against Government Waste, is intended to educate the public and lead the state's leaders to examine the proper role of government and make both the tough decisions and the right decisions for Idaho taxpayers.

The Idaho Freedom Foundation was formed in January 2009 and is the state's only free market research and public policy institute focused entirely on Idaho issues. The organization's desire is to promote free market solutions to the challenges facing the state, to encourage government transparency, accountability, limited government, low taxes, private property rights and economic freedom and opportunity.

Citizens Against Government Waste (CAGW) was established in 1984 by J. Peter Grace and syndicated columnist Jack Anderson. Grace served as chairman of President Ronald Reagan's 1982 commission examining the workings of the federal government. The Grace Commission made 2,478 recommendations aimed at eliminating waste and mismanagement within the federal bureaucracy. CAGW worked tirelessly to promote the ideas in the Grace Commission's report, and 26 years after its formation, the group and its 1.3 million members and supporters have helped save taxpayers more than \$1.07 trillion.

CHAPTER 1: ARTS AND ENTERTAINMENT

In good and bad times, one of the first expenditures to be reevaluated should be the arts. Talented artists have existed for centuries without the taxpayers' help. In a time of recession and fiscal struggle, the state should not be funding art, but more importantly, taxpayers should not be compelled to pay money for questionable content, which is precisely what is happening in Idaho. Taxpayers are footing the bill for vulgar art as well as art of questionable public value.



The Drunken Poet's hand in the taxpayer's pocket

In June 2009, taxpayers gave \$3,672 to Big Tree Arts.¹ According to its website, the organization's mission is to "promote the performance and creation of poetry and art while cultivating literary activities and performance events in order to build audience participation, stimulate creativity, awaken minds, foster education, inspire mentoring, and encourage artistic statement."²

Sounds lovely,
doesn't it?
Big Tree Arts
conducts Boise
poetry slam events
in which poets take
to the stage to share
the power of the
spoken word, at
times with epithet-
laced detail.



Taxpayers provide the funding. Benny the Drunken Poet, above, provides the, uh, entertainment. Here, Benny uses a microphone stand to demonstrate how he satiates his sexual cravings for, among other things, "grandmas, cop cars, parking meters and trees."

Cheryl Maddalena's poetry slam performance describes her figurative

¹ List of grantees from the commission's "Latitudes" magazine, Summer 2009.

² <http://www.boisepoetry.com>.

“marriage” to her house, a quasi-sexual relationship, it seems. “I glued dildos to every seat,” Maddalena announced.³

And while Maddalena’s performance might makes some squirm, Benny the Drunken Poet makes folks blush.

In a piece entitled “Wrap Your Sh--,” Benny dispenses friendly medical advice for men who don’t use a condom: “Open sores, yuck that’s icky/Should’ve bought some condoms with that \$2.50/AIDS, Clamidia, Hepatitis B/No I don’t need help, it usually burns when I pee.”⁴ At the March 17, 2008 Poetry Slam Deluxe at the Neurolux Lounge in Boise Benny’s “F--- Me Hard” implored, “Lay me down and f--- me, life. You’ve done it again and again. ... Sit me down and f-- me. F--- me hard, life.”⁵

Benny’s most energetic skit is called “Can’t Control Myself.” It’s a rhythmic performance that requires moving the metal microphone stand between his thighs and gyrating in order to provide autoerotic satisfaction. “Grandmas, cop cars, parking meters and trees,” quotes the poet. “Daughters, barstools, and the occasional mom, why the f--- is my crotch so numb?”⁶ There is nothing poetic about getting a lot of filth for the taxpayers’ money.

³ YouTube video, “Housewife,”

http://www.youtube.com/watch?v=7KCQN5sCisw&feature=channel_page,
March 10, 2008.

⁴ You Tube video, “Ben the Drunken Poet: Wrap Your S---,”

http://www.youtube.com/watch?v=SSw4dx1Tj-g&feature=channel_page,
February 18, 2008.

⁵ YouTube video “Ben the Drunken Poet: F*** Me Hard,”

http://www.youtube.com/watch?v=-e4lwX917X4&feature=channel_page
March 17, 2008.

⁶ YouTube video, “Ben the Drunken Poet: Can’t Control Myself,”

http://www.youtube.com/watch?v=H8aGE2FN_Wc&feature=channel_page,
May 19, 2008.

The art of setting priorities is lost on policymakers

The decision to fund the arts at all levels of government is a drain on state resources, and causes policymakers to set some odd-ball priorities.

In 2009, Idaho lawmakers approved \$787,600 in taxpayer support for the Commission for the Arts. While the Legislature voted to feed the arts pig, lawmakers said there wasn't enough money to fund a cystic fibrosis program that provides services to victims of CF.

The CF program costs taxpayers \$205,000 a year.⁷ Local communities, which lament the "lack of money" for police and fire protection, are unwilling to let go of arts programs despite the obvious cost to basic government programs. The city of Boise's arts and history budget is \$567,500. The city also requires that the budget of every public works project include 1 percent of the total cost for the arts. That's expected to cost taxpayers \$116,000 during the 2010 budget year.⁸

⁷ 2009 Senate Concurrent Resolution 112.

⁸ Information from the city of Boise, mayor's office.

The art of the lobby

State officials believe the taxpayers love art so much that it would be worthwhile to spend more than \$31,500 so that Idaho can belong to three arts organizations – Americans for the Arts, the National Assembly of State Arts Agencies and the Western States Arts Federation. Asked about the expenditures, Arts Commission Executive Director Michael Faison said the groups provide administrative support for grant reporting and give the state a voice in national policymaking. “The interests of states such as Idaho, with small populations, fewer resources, and geographic isolation, tend to be forgotten in national policy and decision-making,” Faison said.⁹

This expenditure is really being used to lobby Congress to spend more taxpayers’ money on the arts. In 2008, the National Assembly of State Arts Agencies published a document that encouraged arts enthusiasts to “confront the candidates on issues of public support for the arts,” and ask them whether they will “vote to increase funding for the National Endowment for the Arts/our state arts agency.”¹⁰

In an August blog posting, the Western States Arts Federation lamented the negative reaction of members of Congress to news that federal stimulus money was being used to subsidize sexually-explicit performances in San Francisco.¹¹ Americans for the Arts also has an aggressive lobbying effort. One letter on its website suggested telling “Congress to support a funding level of \$53 million for the Arts in Education within the U.S. Department of Education.”¹²

⁹ Email from Faison to the Idaho Freedom Foundation, August 25, 2009.

¹⁰ <http://www.nasaa-arts.org/publications/0208advocate.pdf>.

¹¹ http://www.westaf.org/blog/archives/2009/08/back_to_the_fut_1.php.

¹² http://www.americansforthearts.org/get_involved/advocate.asp.

If only traffic boxes were ... pretty

The aesthetics of downtown Boise have received a \$20,000 taxpayer-supported boost, in the form of decorations on five traffic control boxes. According to city records, the money came from the Neighborhood Reinvestment Grant program.

The traffic control boxes are plain metal, nondescript in appearance, and are sometimes targeted by graffiti "artists." So the Downtown Business Association reasoned

that decorating them with work by local artists might deter the taggers, and help improve the area's aesthetics.

The Idaho Freedom Foundation contacted Karen Sander with the Downtown Boise



Traffic control box, decorated at taxpayer expense, in downtown Boise.

Association, who said many cities are decorating their traffic control boxes.

"We got the idea actually from Calgary.

They had worked on that to kind of offset the issue of graffiti that happens in many cities, especially on public property. So yes, there are a variety of

different cities, not only just around this country, but around the world, that do this kind of work."¹³

Sander said they hired five local artists and paid them \$1,000 apiece for their original work. That work was then transferred to a vinyl wrap, which is the same method used for bus advertising, and radio station vans. She said the vinyl art will last longer than paint, and is easier to clean. However, it's not graffiti-proof. "There's nothing that's anti-graffiti, unfortunately."

Pleasing to the eye? Surely. But at a time when the city has had to lay off employees and not fill a number of positions within the Boise Fire and Police Departments, it is not a good idea to spend so much money on artwork. Five control boxes for a total of \$20,000 equals \$4,000 apiece.

Each artist got \$1,000, which means \$3,000 went into the vinyl wrapping process of each box. If traffic control boxes absolutely must be decorated, there must be cheaper alternatives. The Neighborhood Reinvestment Grant Committee needs to be more creative in saving the taxpayers money in the future when it decides to spruce up downtown.

¹³ Interview with Idaho Freedom Foundation investigative reporter Jay Howell.

Welfare for Big Bird

When Congress passed the Public Broadcasting Act of 1967, lawmakers argued that the country needed a venue to dispense knowledge to the masses, and public television could provide it. But that was before the Information Age. The Internet and oodles of commercial television stations now belt out as much informational programming as Idaho Public Television, which costs taxpayers \$1.6 million a year. Entire channels are devoted to everything from science, health, and history to cooking, travel, and golf.

The problem with Idaho Public Television is it does its job visibly well, and it has adapted to the times, now transmitting programming on four distinct channels. It's hard to not notice programs like Outdoor Idaho, which produces extraordinarily high-quality productions. General Manager Peter Morrill says about 300,000 people tune in to watch Idaho Public Television every week.¹⁴

More than 22,000 people gave money to public broadcasting during the last fiscal year, Morrill said. In November, 2009, the Corporation for Public Broadcasting gave Idaho Public Television an award for its gavel-to-gavel coverage of the Idaho Legislature. And while many states heavily subsidize their state-owned broadcaster, Idaho does not. Approximately one quarter of Idaho Public Television's budget comes from state taxpayers.

But facts are stubborn things, as John Adams said. It's a fact that much has changed since the mid-60s when President Lyndon Johnson argued that educational television could help foster "the enlightenment of the people."¹⁵ It's a fact that every day, Idaho Public Television competes with local broadcasters who are just barely hanging on in a tough economic environment. Government is, in effect, not only subsidizing the competition, it is the competition.

¹⁴ Interview with Idaho Freedom Foundation, June 2009.

¹⁵ Remarks upon signing the Public Broadcasting Act of 1967, November 7, 1967.

CHAPTER 2: WAGES AND BENEFITS IN THE GOVERNMENT SECTOR

There is no question that government leaders have a difficult task. They are supposed to be stewards of taxpayer dollars. At the same time, they serve as CEOs for big organizations with many employees. It is a challenge to come up with a pay scale and benefits package that both rewards them for their hard work and also balances the need not to overly bleed taxpayers.



But the scale is clearly tilted in favor of government employees, many of whom have hit the trifecta – wages superior to the private sector, government-paid healthcare benefits and a solid retirement plan.

We love our state employees THIS MUCH

The governor of the state of Idaho earns \$111,989 a year¹⁶. Interestingly, although he is the highest ranking state employee in all of state government, he's not the highest paid employee in all of state government. By November 2009, there were 286 state employees who earn more than the the governor.¹⁷ Perhaps if the state is looking to save money, it might consider taking a look at some of the salaries that have exploded over the course of the last decade. The largess in the chart below should be compared to the median household income in Idaho of \$46,136 in 2007.¹⁸

Year	Governor's Annual Salary	Highest Paid Employee	# of employees paid more than the governor
2003	\$98,500	\$176,592.00	148
2004	\$98,500	\$176,758.40	166
2005	\$98,500	\$270,004.80	202
2006	\$98,500	\$275,017.60	213
2007	\$105,560	\$400,004.80	213
2008	\$108,727	\$725,108.80	284
2009	\$108,727	\$806,998.38	286

¹⁶ Idaho Code 59-501.

¹⁷ State Controller's Office data.

¹⁸ U.S. Census Bureau data.

This payday is brought to you by the Idaho taxpayer

No one should begrudge anyone else who is making a decent living, but if it seems as though the top employees in state agencies are really raking in the dough. For example, in 2005, Department of Health and Welfare Director Karl Kurtz made \$104,977 a year.¹⁹ Today, director Richard Armstrong earns \$141,710, an increase of 34.9 percent.²⁰

In 2005, Idaho State Police Director Dan Charboneau was earning \$87,214. Now, the director earns \$112,008 a year, an increase of 28.4 percent.²¹

At the Idaho Transportation Department, new director Brian Ness is earning \$165,000 a year. Five years ago, director David Ekren was earning \$130,000, a difference of 27 percent.²²

¹⁹ State Controller's Office "Rainbow Report" to the Legislature 2005 and Idaho Freedom Foundation government transparency website, www.ouridaho.com.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

A premium benefit for state employees

Idaho has an incredibly generous health insurance and retirement benefits package for its employees. That generosity comes at a cost that is nearly impossible to ignore while lawmakers debate how to pry \$150 million or more out of the state's budget in order to make it balance.

Taxpayers still pay 92 percent of the health insurance premiums for full-time state workers. According to an analysis from the Department of Administration, the state government could have saved as much as \$14 million in fiscal year 2010 had the state changed its policies and increased the employee share of health care costs by just 2 percent.²³

Making state employees – instead of taxpayers – responsible for 30 percent of employee health care costs has the potential to save taxpayers \$40 million a year. This says nothing about the savings that might occur at school districts, cities and counties that are offering generous public health insurance benefits to public employees at taxpayer expense.

²³ Analysis from the state Department of Administration.

We'll make you an offer you can't refuse

In the middle of a budget crisis, one wouldn't expect state agencies to be shelling out cash to state employees so that they could quietly retire in the night.

That's exactly what's happening; and by law, it is not supposed to occur. For example, in November, 2009, the state plopped almost \$73,000 into the retirement account of Division of Human Resources Director Judie Wright. That allowed Wright to retire early, receiving the same pension benefit she would have received had she stayed on the job for another eight months.²⁴

Wright isn't alone. Last summer, the Idaho State Tax Commission paid out \$13,500 to an retirement account of an employee who was being fired for disciplinary reasons.²⁵ The state Department of Education also paid more than \$42,000 to an employee, allowing her to retire two years ahead of schedule and still receive the same retirement eligibility.²⁶

²⁴ *Spokesman Review*, November 22, 2009.

²⁵ *Ibid.*

²⁶ *Ibid.*

Thanks for the grub, taxpayers!

Christmas is a time for giving, and last year, the city of McCall threw its employees a \$5,490 Christmas party at taxpayer expense.²⁷ City records indicate the party – referred to by city officials as a “Holiday party” – was held at the McCall Golf Club. It included \$2,783 for dinner and \$2,707 for gifts and gift certificates.

The party included a prime rib dinner for the 99 city employees and their guests. The city also gave out \$25 gift cards to Ridley’s grocery store. City Manager Lindley Kirkpatrick said the city used to give employees a turkey or ham, but have since decided it’s easier to just give gift cards. He stressed that most of the money spent on the party stayed in McCall.

Kirkpatrick told the Idaho Freedom Foundation that the golf club is where the party has always been held: “That’s where we’ve had it historically. There aren’t that many places in town that can handle a party of 100 people or so.”²⁸ Former McCall City Council member Bonnie Bertram begs to differ.

“That’s not true. They don’t ask anyone else,” said Bertram, owner of the Pancake House. “They didn’t ask me, they didn’t ask the Mill [Supper Club], which can handle 100 people.” She said her restaurant could easily accommodate that size crowd, and provide a prime rib dinner with beverage and dessert for \$25 per person. That’s slightly less than the \$28 per person the city paid at the McCall Golf Club, but still in the neighborhood.²⁹

The bigger question is why the government of McCall is spending so much for a party in the first place, during a recession that’s hurting the tourism industry on which McCall depends. Kirkpatrick said the party is a tradition.

²⁷ McCall city FY 2009 data provided to the Idaho Freedom Foundation.

²⁸ IFF interview with investigative reporter Jay Howell.

²⁹ *Ibid.*

"It's one way the city and the council recognizes city employee contributions. A lot of times being a city employee is a thankless job, and this is a way for the city to say thank you," Kirkpatrick said.³⁰

Again, Bertram disagrees with that rationale. She says city employees are getting a great deal from taxpayers already.

"The fact is that they have a full-time job, winter and summer, that is not dependent on the weather, like the rest of us have to live with. They have paid vacation and paid sick leave that most of the business people in this town cannot offer to their employees. They're working hard, but they're not working harder than we are. The fact is many businesses are asking their employees to take a pay cut. When people are losing their jobs and losing their homes, they don't have sympathy for the city employees," Bertram said.³¹

The party came at a time when the city raised property taxes, notes real estate agent Rob Lyons, who led a failed attempt to change McCall's form of government from a city manager system to a mayor-city council system.

"They raise our taxes, a 3 percent increase this year. When everybody else is cutting back, they're giving increases," Lyons said.³²

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

Pizza, snacks and fun: \$12,000

The state Department of Health and Welfare knows how to show its employees a good time. In May 2008, in conjunction with the governor's designation of Public Employee Recognition Week, the agency spent more than \$12,000 on employee meals and refreshments in violation of state spending policies.³³

"During the week, we identified 80 transactions totaling more than \$12,000 for various meals and refreshments, including pizza parties, lunches and snacks for several days that week for 100 staff," said auditors. "Most transactions did not have any supporting documentation, such as an agenda or attendee list, to determine whether the costs were allowable under State travel policies."³⁴

But hold the pizza, said the department: "There is no mention in the state travel policy, no in any of the other Board of Examiner's regulations, regarding employee recognition events; therefore, it is inaccurate to say the costs are unallowable per state travel policy."

There is also no mention in the state's travel policy regarding travel in interstellar spacecraft, but one suspects that should the occasion arise, the existing policies would carry weight.

Incidentally, the agency contends that Employee Recognition Week was enjoyed by 3,200 department staffers, "an average of \$3.75 per employee." Next time, bring a collection plate.

³³ Legislative Audits Internal Controls Report for the Fiscal Year Ended June 30, 2008.

³⁴ *Ibid.*

Work for the state, retire like a king

Taxpayers subsidize the public employee retirement system with a 10.4 percent contribution for employees who work in state government and the public school system.

Taxpayers could potentially save millions of dollars if the retirement contribution rate paid by employers was lowered.

State government and public school employees contribute to a public pension fund, as does the state. The employees pay in 6.2 percent of their salaries while government agencies that live off of taxpayers pay in 10.4 percent. The contributions are designed to keep the fund solvent to make payments to retirees.

If the Legislature were to change the mix of contribution rates by just 2 percent — lowering the amount paid in by the government and increasing the amount paid in by employees — it would save taxpayers (at the state and school district level) \$20 million a year, according to an analysis by the state public employee retirement system.³⁵

Even if the state retirement contribution were lowered by 2 percentage points, the resulting benefit would still be more generous than the 6 percent retirement contribution of many private sector employers. The question for policymakers is whether taxpayers should be forced to continue to subsidize such a generous employee benefits package at the expense of taxpayers. It's a discussion lawmakers didn't have in 2003 when state budget was similarly wracked. It would be unfortunate to not have this discussion now.

³⁵ Information from an analysis by Don Drum, the director of the state's retirement system.

Part-time work, full-time insurance

Gov. Otter's administration determined in 2009 that part-time government employees should pay more for their health insurance than full-time employees.

Curiously, however, one group of part-time employees is exempt from the new rules: Idahoans pay around \$780,000 a year to insure members of the House and Senate (a small portion of that amount is for the staff of both chambers).³⁶ State lawmakers, who are the most visible of the cast of part-timers, will still receive the same lucrative health insurance package that full-time government employees enjoy. So while part-time workers are paying \$166-\$302 a month for insurance, lawmakers benefit from a low monthly premium fancied by full-timers – \$30 per individual.³⁷

Taxpayers bear the rest of the cost of each insurance policy. To a public weary of government and skeptical of politicians, it smacks of bureaucratic snobbery. In June 2008, the citizen compensation panel, which is constitutionally required to set lawmaker salaries and benefits, voted to continue “the system of medical, dental and life insurance and retirement benefits as provided for other state employees.”³⁸ It didn't specify anything beyond that.

Some contend the panel's recommendation means lawmakers are to stay on the current system. Others say that because senators and representatives have an annual salary, they're clearly considered full-time. Lawmakers get \$16,260 a year, except for the speaker of the House of Representatives and pro tem of the Senate who make \$4,000 more.

³⁶ State Controller's Office data, FY 2009.

³⁷ Department of Administration FY 2010 group insurance handbook. Coverage for full-time employees, spouse and children equals \$109 a month.

³⁸ Citizens Committee on Legislative Compensation recommendation to the Legislature, June 25, 2008.

But Idaho’s Legislature is famously part-time. Every schoolchild who tours the state Capitol is told this is so. The Legislature meets in January and is hopefully done with business by March or April. A number of lawmakers continue working after that – answering constituents correspondence and attending meetings, writing legislation and conferring with colleagues. To them, it really is a full-time job. For others, the work stops once the final gavel falls and their legislative duties do not start again until the following January.

Department of Administration Director Mike Gwartney, in a newspaper op-ed, defended the decision to make part-time government employees pay out more for insurance.

“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,” Gwartney wrote.³⁹

Here’s the bottom line: The citizen panel set nothing in stone regarding health insurance for lawmakers. The only thing the panel concluded is that lawmakers can participate in the state group health insurance plan. That means there’s room to correct an inequity – that of part-time lawmakers being treated better to their part-time counterparts elsewhere in state government.

³⁹ *Idaho Statesman*, September 13, 2009.

A true “no show” contract – in the Idaho Legislature

Under Idaho law, a legislator can receive full compensation, insurance and retirement benefits without ever showing up to cast a single vote.

By the end of the 2009 legislative session, seven members – 20 percent of the Senate's membership – were temporary replacements who never stood for an election.⁴⁰ These temporary replacements have full voting rights – casting votes and sitting in on committee discussions as though they had won election.

In 2009, two temporary replacements were in place the entire session. Democratic Sens. Clint Stennett of Ketchum and Edgar Malepeai of Pocatello have been dealing with difficult health issues that necessitated their absence from the Legislature. Stennett took leave from the legislative session to undergo brain cancer treatment. Malepeai stayed away from the 2008 and 2009 legislative sessions in order to care for his wife, who died in 2009. Stennett announced in December 2009 that he'll again be gone for an unspecified time during the 2010 legislative session. His wife, Michelle, will take his place.⁴¹ Meanwhile, taxpayers will continue to pay Stennett for work he never does.

Taxpayers should not be forced pay the salary of an elected official who never shows. Some lawmakers who get temporary replacements forward their paychecks to their substitutes, but no-show legislators remain on the taxpayer-funded healthcare plan and continue to build on their government pension plan.

It might sound like a compassionate way to treat lawmakers who are having personal issues requiring their extended absence. It's an unreasonable way to treat taxpayers who expect the lawmakers they hire to how up and work.

⁴⁰ Reviews of 2009 Senate Journals by the Idaho Freedom Foundation.

⁴¹ *The Times-News*, Dec. 5, 2009.

We're here to inform you: Info people are well-paid

If someone is in the business of letting the public know what's going on in state and local government, odds are, their job is safer – and more costly – than many other jobs in government. In fact, only two public information officers in all of state and local government lost their jobs as a result of the recession.

Among the most lucrative positions is Ada County Highway District Communications Director Craig Quintana, whose annual salary equates to \$95,201 a year.⁴² By way of comparison, the top elected official in Ada County – a county commissioner – earns about \$93,000. Earning the equivalent of \$97,032 a year is Dan Hollar, the communications chief at the Boise School District.⁴³ Meridian School District spokesman Eric Exline earns \$71,030.

⁴² Data from <http://www.ouridaho.com>. Annualized salary based on \$45.77 an hour and 2,080 hours in a work year.

⁴³ Ibid. Annualized salary based on \$46.65 an hour and 2,080 hours in a work year.

CHAPTER 3: LET US ENTERTAIN YOU

The republican system of government is supposed to guarantee life, liberty and the pursuit of happiness.

But some people in government think it's their job to provide the frivolity – at considerable cost to taxpayers.



As Ben Franklin said, the Constitution provides the means to pursue happiness; it's up to citizens to catch it. But don't tell that to state and local government employees who think it is up to them to keep Idahoans entertained.

Movies, magic and good mental health

The state Department of Health and Welfare spent \$14,764 between July 1, 2008 and June 30, 2009 entertaining the clients of State Hospital South in Blackfoot and Idaho State School and Hospital (ISSH) in Nampa. Taxpayers put up \$8,752 on movies, miniature golf, magicians, swimming, bowling and other activities for the clients at State Hospital South (SHS).⁴⁴

Psychiatric patients were treated to \$2,300 worth of fun at Starlite Lanes bowling alley in Blackfoot, and \$1,100 to watch movies at theaters in Blackfoot and Pocatello. Taxpayers also spent \$470 so that State Hospital South clients could take in the performances of magicians Kid Davie and Skip Cain the Magic Guy.⁴⁵

At Idaho State School and Hospital in Nampa, the list of excursions by ISSH clients is more diverse. Taxpayers spent \$6,011 to entertain clients. Excursions included trips to fast food restaurants like Wendy's, Taco Time, Carl's Jr., Pizza Hut and Arctic Circle. The favorite restaurant for ISSH residents was Burger King, where the state spent \$241.⁴⁶ The restaurant edged out McDonalds by just a few dollars. Coffee shop Moxie Java is also popular, worth \$191 to ISSH clientele.

Other popular entertainment venues include the Overland Park Cinema in Boise (\$394), Western Idaho Fair (\$393), Reel Theaters (\$259) and Boondocks (\$129).

Department spokesman Tom Shanahan said the expenditures are perfectly legitimate, because "people with a serious mental illness get in trouble when they have too much free time, which many do. We try to teach them to participate in varied leisure activities, so they fill their time up and do not

⁴⁴ Data from the Idaho Department of Health and Welfare.

⁴⁵ Ibid.

⁴⁶ Ibid.

regress or begin substance abusing and end up back in the hospital. Many of the mentally ill also struggle to function in public places, so it is a therapy to get them out and participating in their communities. If we did not, and they spent the average three months of treatment without leaving hospital grounds, the transition back to community living could be traumatic for them. Recreational therapy is a federal requirement, however, even if it wasn't, we would provide to reduce recidivism.”⁴⁷

While outside trips may seem harmless and insignificant, they can have disastrous consequences. In September 2009, a killer confined to a Washington state hospital escaped while on a field trip to the Spokane County International Fair, prompting an investigation by state officials.

State mental health patients probably do need help reintegrating back into society in a controlled, measured way. The Department of Health and Welfare could take a lesson from many Idaho taxpayers, who no longer go to magic shows, restaurants and bowling alleys because economic conditions dictate that they can't. The department could cut out the pricy field trips and settle for entertainment on the cheap – to a park, for instance, instead of the movie theater.

⁴⁷ Emails to the Idaho Freedom Foundation from Shanahan explaining the purpose for taxpayer-funded field trips by patients at Idaho State School and Hospital and State Hospital South.

Free movies are a reel problem

Settlers Park in Meridian has turned out to be "the place to be" on Friday nights in June, July and August. When the weather is nice, between 2,500 and 3,000 will flock to the park to see a "free" family friendly movie. A good time is had by all. The popularity of the "free" movie night has prompted neighboring cities (Boise and Kuna) to give it a try. But in Meridian, the movie night has become almost as popular as Friday night football. City officials, no doubt, are giving themselves "high fives" over the decision to begin "free" movie night.

Now for the bad news: There's no such thing as a "free" movie unless one happens to sneak into one of the cinemas in the area without getting caught. The "free" movie night is costing Meridian taxpayers \$4,453.⁴⁸ Of course, it is probably taking away business from the local theaters, which potentially are missing some 3,000 customers who might otherwise pay to go to movies on Friday night.

This government decision to have a "free" movie night – which really isn't "free" – prevents dollars from circulating through the economy. With business down on Fridays, perhaps cinema owners had to consider giving a couple of employees the night off – robbing them of a paycheck.

Meridian officials may have good intentions, but they might consider scrapping the word "free." Movie nights come with a price and everybody ends up paying for it – including the vast majority of residents who choose not to attend. Instead of getting money from taxpayers, the city should look into private sponsorship of the movie nights.

⁴⁸ Meridian public records.

All the comforts of home – for bikes

Tough times call for tough fiscal choices. So when Boise granted \$25,000 for 15 downtown bike lockers, some may wonder about the city's spending priorities. After all, Boise has laid off employees and is holding several positions open at the Boise Police and Fire Departments. Yet the city installed the 15 bike lockers, eight at the Capitol Terrace Garage and seven at the Eastman Garage, at a cost of more than \$1,600 each.

The locker project was funded by a Neighborhood Reinvestment Grant, a program that is part of the city's Planning and Development Services (PDS) departmental budget. The PDS budget comes out of the General Fund, which means it is paid for with taxpayers' dollars.

Neighborhood associations can apply for grants on Boise's website. A committee then looks over the applications, and forwards them to the mayor's office with their recommendations. The mayor can approve the application, ask for further information, or reject it altogether. The committee is comprised of representatives from PDS, Public Works, Parks and Recreation, the Art and History department, a City Council member (currently Maryanne Jordan), and Theresa McLeod, special projects assistant to the mayor.

McLeod says the Neighborhood Reinvestment program has been around for about 15 years, and despite having \$500,000 allocated this year, it spent only \$340,000. The rest went back to the General Fund.

She says the improvement projects do more than just fix sidewalks and build playgrounds: "If our neighborhood associations come together over a project, it does so much more than just putting a light on their street, it binds them together as a neighborhood, and it has them working together and being resourceful."⁴⁹

⁴⁹ Interview with Idaho Freedom Foundation investigative reporter Jay Howell.

Indeed, it sounds like the Neighborhood Reinvestment Grant program funds worthwhile projects every year. But that does not justify \$25,000 for bike lockers.

The Idaho Freedom Foundation contacted Karen Sander, executive director of the Downtown Boise Association. She said the idea arose from a survey which showed cyclists wanted a place to store their helmets, shoes and backpacks along with their bikes.

The lockers cost \$15 per quarter, with a \$50 refundable deposit. That means it will take more than 26 years for each locker to pay for itself, assuming continual occupancy.

On the other hand, a quick Internet search found a 16-bike rack for \$550.⁵⁰ Just one of these racks would provide the same amount of parking, for less than 3 percent of the cost of 15 bike lockers, or parking for about 530 bikes for the same price.

The Neighborhood Reinvestment Grant program pays for sidewalk repairs and street lights, landscaping and playgrounds, projects many would say are worthwhile uses of their tax dollars. But some might draw the line at \$25,000 for 15 bike lockers.

⁵⁰ <http://www.bikerackshops.com/groupoutdoorracks.html>.

Don't let the creepy potato people scare you

In March 2009, the Department of Commerce unveiled a new video: "Idaho ... Business is Easy Here." It is a six-minute video that features compelling images of the state as well as comical computer-animated potato people.

The video serves to show that Idaho is a more than a state that is famous for potatoes. The video cost \$16,000. About \$6,000 came from the state



Department of Commerce and \$10,000 from the Idaho Potato Commission.⁵¹

Screenshot from "Idaho ... Business is easy here."

What did taxpayers get for their investment? Posted on YouTube in August, the video gathered 84 hits on that website and 1,871 hits on the Commerce Department's website.⁵² That is hardly a hot potato and more like a recipe for wasted tax dollars.

⁵¹ *Idaho Business Review*, March 26, 2009.

⁵² Data from Michael Rotchford, a marketing analyst at the Department of Commerce.

CHAPTER 4: GROWING GOVERNMENT

ONE PROGRAM AT A TIME

It might seem to be the most daunting challenge imaginable: In order to balance the state's budget, lawmakers and the governor will have to come up with ways to cut millions of dollars from the state's budget. This might include entire agencies, divisions and programs. The

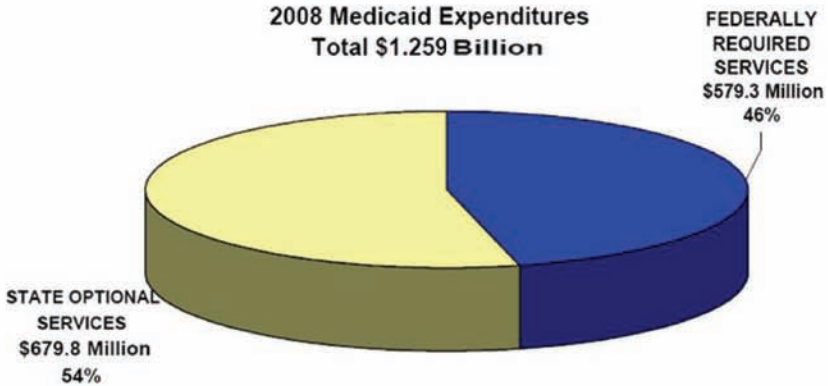


problem isn't so tough, because state government is too big and spends too much money on duplicative and ineffective programs.

Many of the programs in state government were born out of a legitimate need. The questions that need to be asked are 1). should the government provide the service rather than the private sector, 2). can taxpayers really afford the service and, 3). is it a proper role of government? If these questions are asked at each agency unnecessary government expenditures could be eliminated.

It's a pie chart, and we're being eaten by the pie

In 2009, state lawmakers were presented with a very simple pie chart:



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The pie chart shows more than half of the cost of Medicaid services provided includes those that the state voluntarily added. The state was not and is not required to include these services in the state-federal partnership for the poor and disabled. This provides a clue about where state spending is going.

A deeper look at the issue shows the problem. Physical therapy, for example, is not a required coverage under Medicaid. The state provides it voluntarily. In 2007, the service cost \$6,019,482. In 2010, the service is expected to cost \$12,609,916,⁵⁴ an increase of 109.5 percent.

Ambulatory surgical centers cost \$14,240,304 in 2007. In 2010, the cost for the service is expected to hit \$25,509,926.⁵⁵ That's an increase of 79.1 percent.

⁵³ Legislative Budget Book 2009, pages 2-15.

⁵⁴ Ibid., pages 2-16.

⁵⁵ Ibid.

School district services, offered at a cost of \$15,352,642 in 2007 are now expected to require \$38,153,234 in 2009..⁵⁶ That's an increase of 148.5 percent.

The State Children's Health Insurance Program is now so expansive that it results in people dropping private insurance and going onto government health insurance rolls.⁵⁷ That's what taxpayers get for their contribution of more than \$59 million a year into the program.⁵⁸

⁵⁶ Ibid.

⁵⁷ Cato Institute Handbook for Policymakers, 7th Edition.

⁵⁸ Expected costs for SCHIP program in FY 2011, according to Department of Health and Welfare spokesman Tom Shanahan, who adds that the number is "squishy" because estimates for 2010 are still fluctuating. The state is expected to spend \$50.3 million this year on SCHIP.

It would be preferable ... if taxpayers didn't fund the Idaho Preferred program

Idaho Preferred is successful, but it is hard to deny the fact that it comes at a taxpayer expense best borne by the private sector. The Idaho Preferred program is designed to “identify and promote food and agricultural products grown, raised and processed” in Idaho and showcase those products.⁵⁹ The program started in 2002 with a grant from the U.S. Department of Agriculture.

But by 2007, the program needed money from state taxpayers to keep going. The program now gets \$152,000 in state funds for one employee and operating costs.⁶⁰ However, there is already a non-government entity that promotes Idaho products: Buy Idaho. The organization, started in 1986, is a nonprofit, does a good job of fulfilling its mission, and does not take a penny of government cash. If Buy Idaho can do it, taxpayers should not be forced to fund Idaho Preferred.

⁵⁹ Idaho Preferred website, <http://www.idahopreferred.com>.

⁶⁰ Data from the governor's office.

It's a good thing no one can use \$10 million now

In 2007, Idaho lawmakers appropriated \$10 million to help pay for a livestock research center somewhere in the state. The center was billed as a way to help the livestock industry address problems posed by having large-scale confined animal feeding operations that have taken root in Idaho.

Today, the money sits unspent. The delay apparently comes from the University of Idaho's plan to sell its land in Caldwell to kick in another \$10 million for the project.

University government relations director Rich Garber said, "When the bottom fell out of the (real estate) market, that kind of took the

steam out of our funding strategy. We felt we didn't want to put the Caldwell property up on a fire sale."⁶¹



A Confined Animal Feeding Operation in rural Canyon County. State officials want to spend \$10 million to research solutions to environmental issues surrounding such facilities.

Policymakers could just shelve just project. In 2001, the Legislature and Gov. Dirk Kempthorne dumped \$86 million into 21 construction projects and were ready to vacate the Statehouse so that it could be renovated. But a colossal decline in tax collections prompted state leaders to delay the Statehouse

⁶¹ Interview with Garber by the Idaho Freedom Foundation.

renovation and the other construction projects and commandeer all the associated cash to keep the state general fund from hemorrhaging.⁶²

Ultimately, it is difficult to understand how this center, even if it really is deserving of state support, can continue to be funded in light of other significant and unavoidable budget problems looming in 2010.

⁶² Legislative budget documents 2002-2003.

Throw the book at them

One of the lesser known agencies of state government is the Idaho Commission for Libraries, known as the State Library until 2006. The agency costs taxpayers \$3.4 million a year.⁶³ The Legislature created the agency in 1901 to help existing libraries and create new ones by assisting library protagonists in their endeavors to start new libraries and library districts.

In 2009, the Legislature moved the commission from the State Board of Education to the Department of Self-Governing Agencies. In 2009, the commission worked with library lovers in Canyon County, helping them on an ill-fated quest to create a new taxing district for a library that would include Notus, Parma and Greenleaf. Voters rejected the library plan, likely because supporters had woefully little information about who would be served by the library district or what services the district would offer. Another factor was the bad timing to raise taxes on individuals and businesses.

While the commission's "LiLi" project – providing computer interconnectivity between libraries – might benefit taxpayers, that project could easily be taken on by another agency, perhaps the State Board of Education. Other than that, it does not take much research to conclude the commission is a questionable use of taxpayer dollars.

⁶³ 2009 Legislative Fiscal Report, pages 5-50.

Segregated thinking serves no one

The Legislature created the Commission on Hispanic Affairs in 1987. No doubt the commission's goals are admirable, which, by law, include promoting public awareness of issues facing the Hispanic community, organizing conferences, and conducting special studies.⁶⁴ However, the commission comes at a cost of \$106,800 a year.⁶⁵

Most of this agency's responsibilities could be performed within the existing agencies of state government – including colleges and universities, the Department of Education, and the Department of Labor. This commission is unique in state government, serving a specific ethnic group; perhaps to the detriment of the broader community. An Idahoan is an Idahoan. Keeping a special commission to serve one segment of the population doesn't seem very forward thinking in the twenty-first century.

⁶⁴ Idaho Code 67-7205.

⁶⁵ Legislative Fiscal Report 2009, pages 5-46.

A trio of agencies all doing the same thing

At a cost to state taxpayers of \$1,405,400, the state Commission for the Blind and Visually Impaired helps Idahoans achieve independence, often by helping with employment opportunities.⁶⁶

The state Division of Vocational Rehabilitation, which costs taxpayers \$7,725,000⁶⁷ a year, also helps Idahoans with disabilities enter employment. But by law the Division of Vocational Rehabilitation can't help blind Idahoans.⁶⁸

Meanwhile, the state has an entire agency – the Department of Labor – which purports to help Idahoans at large get jobs. Why have three full agencies doing essentially the same work? While these agencies have some distinct functions all to themselves, at least in the case of employment issues, there should be real opportunities to consolidate functions and potentially save taxpayers large sums of money.

This is one example of a troubling phenomenon, and were the state to really examine all agencies throughout state government, there will be many other opportunities to consolidate programs, eliminate agencies and save taxpayers money.

⁶⁶ 2009 Legislative Fiscal Report, page 6-31.

⁶⁷ 2009 Legislative Fiscal Report, page 1-55.

⁶⁸ Idaho Code 33-2301.

How many agencies does it take to help a company screw in a light bulb?

The state Department of Commerce is supposed to help “expand existing Idaho industries, promote investments in Idaho, develop markets for Idaho products and services, attract new businesses to Idaho, promote Idaho’s travel industry, improve Idaho’s image...” among other goals.⁶⁹

But Idaho taxpayers pay for other programs outside the department doing much of the same work, such as the Small Business Development Centers (\$275,000) and TechHelp (\$159,200).⁷⁰ Small Business Development Centers provide training and technical assistance to businesses intended to help keep small companies operating.

TechHelp, which once was part of the Small Business Development Centers, provides help to small and medium-sized manufacturers and processors. It would be cheaper to just have the Department of Commerce pick up this kind of work. Existing businesses should not have to subsidize the development of companies that will compete against them.

⁶⁹ Idaho Code 67-4701.

⁷⁰ Idaho Fiscal Report 2009, page 1-45.

Economics lesson No. 1: Take money from taxpayers

The Idaho Council on Economic Education is a nonprofit organization housed at Boise State University. The council provides K-12 teachers and students with an education in economics, including personal finance, the stock market and international economics.

The organization could easily find non-government funding sources, such as businesses, individuals and organizations that believe in its education efforts. That is no different from any other nonprofit charity. People who like what this organization should give money in support of its efforts. That's how it's supposed to work.

No matter how noble the cause, one wonders why taxpayers should be compelled to fund this particular charity at a cost of \$49,300 a year.⁷¹

⁷¹ Idaho Fiscal Report 2009, pages 1-51.

The House on the Hill

Sure, it was nice for Idaho businessman J.R. Simplot to give his hilltop mansion to the state in 2004. With all due respect, it is now a big money pit. When Simplot gave the 7,400 square-foot home to the state, it was intended to be a governor's mansion. But Gov. Otter doesn't live there.

When Otter took office in 2007, he began receiving a \$4,500 per month housing stipend. Once the Simplot home remodeling was completed in 2009, the governor voluntarily stopped collecting the stipend, but he has no plans to occupy the governor's official residence. He prefers living on his ranch in western Ada County.⁷²

Instead of being the place the governor goes to bed at night, it is the place for events to be held. The problem is, they are being used to hold "cabinet meetings, board meetings of the [Idaho] Meth Project, Office of Drug Policy, things like that," said Department of Administration Chief of Staff Teresa Luna.⁷³

It is an expensive place to manage. In the peak of summer, the electric bill can run \$4,000 a month. Land maintenance cost about \$73,000 in 2008. It is a nice home. It sure would be nicer if it didn't belong to the taxpayers.

⁷² Information from the governor's spokesman in email with the Idaho Freedom Foundation.

⁷³ Email from Luna, explaining what activities have taken place at the governor's mansion.

Money for nothing and your (poli)tics for free?

Each spring, the mysterious taxman plays the part of the Tooth Fairy. If a taxpayer puts a little check mark next to the political party or parties on the state tax form, the selected political organization will miraculously get a dollar. “This won’t increase your tax or decrease your refund,” the taxman says.⁷⁴ This works the same way children find a dollar under their pillows after they lose a tooth: magic.

Back in the real world, the trick is easy to explain. The designation of a dollar on the state tax form (or three dollars on the federal form) results in the diversion of tax dollars to politicians. Every dollar earmarked for political parties is a dollar that gets spirited away and doesn’t make it to the general fund used to finance the rest of state government. In essence, the taxpayer is voting for dollars to be diverted to partisan causes. Those votes are then tabulated, turned into money and shipped off to the political parties based on the outcome. While it does not reduce a person’s tax refund or increase tax liability, it transfers wealth from taxpayers to political parties and makes everyone “volunteer” to participate in partisan politics.

Since 1976, Idaho taxpayers have paid a total \$1,572,088.25 to benefit of the state’s political parties (\$735,600 for Idaho Democrats, \$728,400 for Republicans and the rest to the third parties).⁷⁵

In 2009, taxpayers donated \$34,320 to the coffers of the Constitution, Democratic, Libertarian and Republican parties. In 2008, taxpayers contributed \$71,429 to political parties, slightly less than a year’s wages for two Idaho State Police recruits.

The campaign checkoff arrived on federal tax forms in 1972. The concept was to reduce the dependency of presidential campaigns on donations. In 1975,

⁷⁴ Idaho individual income tax instructions, 2008.

⁷⁵ Data from the Idaho Secretary of State’s office.

Idaho lawmakers succeeded in passing similar legislation on the state level. The first state checkoff in 1976 generated almost \$46,395.84.⁷⁶

On the state level, it is not clear what the checkoff is really accomplishing apart from siphoning tax dollars away from the state's general fund. And even if it were accomplishing something meaningful, it's doubtful that it's as important as other functions in state government that are on the chopping block this year.

If state lawmakers are serious about solving the state's budget crisis without raising taxes, this proposition should be light lifting: Get rid of the campaign fund checkoff. End public financing of political campaigns. It won't erase the state's budget shortfall, but it would make a small dent. And it will get the friendly, neighborhood taxman out of the magic business.

⁷⁶ Ibid.

CHAPTER 5: WASTE? WHAT WASTE?

In the journey to find government waste for this publication, a good number of state agencies had interesting explanations for why they spend money the way they do. Those explanations shouldn't sit well with taxpayers or with policymakers, especially in a year when individuals, families and businesses are struggling to make ends meet. But the explanations are what they are: anecdotal evidence that government in Idaho is out of control when it comes to the management of taxpayer dollars.



Feeling inspired? Or just a bit poorer?

Reading all of these stories about waste in government sure can be depressing. What is needed now is some encouragement; if only there were a designated purveyor of inspiration. The University of Idaho has one – a contract with Magaly Rodriguez in 2008 to be the school's "chief inspiration officer."

She's so darned inspiring that her nine-month contract, worth \$112,500, required her presence on the Moscow campus between zero to 10 days each month. Rodriguez is a former teacher, who, according to provost Doug Baker, is helping the university adopt its strategic plans. "She's helping us reshape our culture," Baker told the *Moscow Pullman Daily News*.⁷⁷

Rodriguez told the newspaper that she helps create global peacemaking communities. Rodriguez also contends that she's the mastermind behind the phrases "peacemaking" and "vitalizing change."

"If you want to know kind of really what I do, I'm interested in building communities," Rodriguez told the newspaper. Scott Wood, dean of the College of Science, contends that the Rodriguez' two-day workshop in February 2009 helped spare the undergraduate degree in physics from planned budget cuts. Physics professor Francesca Sammarruca, however, said the workshop was about sharing feelings and not on the cuts intended to kill the program. Patricia Hartzell, a microbiology professor, told the newspaper, "I'm really perplexed as to what (administrators) thought the outcome would be, how it would change our life. Because it didn't. I think they think they were successful."

⁷⁷ *Moscow Pullman Daily News*, June 7, 2009.

Don't launder money, use money to launder

The Idaho Tax Commission spent \$946 from July 1, 2008 to June 30, 2009, to rent and clean washcloths and dishtowels.⁷⁸ Liz Rodosovich, the tax commission's public information officer, said "It's the most economical and efficient way to maintain a clean and safe work environment. We have hundreds of employees in our building, many of whom use the break rooms on four different floors. Having the laundry service is much easier and less wasteful than buying, storing, and disposing of truckloads of paper towels."

There is good news, however. Rodosovich said the tax commission discontinued a service that involved having a floor mat at a tax commission field office cleaned. A partial win for the taxpayers, perhaps, but not one that makes anyone feel all that clean.

⁷⁸ State Controller's Office data, FY 2009, and email correspondence with the tax commission's public information officer.

Next time, better make that bid “to go”

The state’s legislative auditors found something amiss when they reviewed the contract award for the cafeteria at the Idaho Peace Officers Standards and Training Academy. The auditors discovered that taxpayers would have saved \$121,000 had the company that submitted the low bid to run the cafeteria been awarded the contract. Instead, Shird’s Inc., got the deal, beating low-bidder Aramark Corp.

Aramark submitted a proposal for \$537,704 for the two-year agreement. Shird’s winning bid came in at \$658,612.⁷⁹

How did this come to be? According to the auditors, the Idaho State Police (ISP), which reviewed the bids, had inconsistent scoring techniques, and that three employees amended their scores to favor Shird’s. The changes altered the outcome, “which resulted in the improper selection of the cafeteria meals services contractor.”⁸⁰

State Police responded to the auditors’ findings, saying the agency complied with state Division of Purchasing requirements. ISP added that “there were complicating factors with the cafeteria meal services contract that caused difficulties when evaluating the bids.” This included a mistake in the calculations that “was not discovered in the oversight process and a poor bid response from one of the prospectors.”⁸¹

⁷⁹ Associated Press, June 2, 2009.

⁸⁰ POST Academy audit, June 1, 2009.

⁸¹ *Ibid.*

Oh, great and powerful Wizard, regale us with news from your travels

It looks like Santa Claus, except it has a traffic cone on its head and a road jutting from its beard, possibly from too much partying. It is called the “Road Wizard,” and the Ada County Highway District spends \$55,000 annually to have the Wizard’s column printed once a week in the local newspaper.⁸²

The Wizard answers questions about various road projects around the district that are apparently posed by drivers and taxpayers. But other tax districts – schools, counties, cities and other highway districts – don’t feel the need to similarly spend money on such information campaigns. What’s also curious is that the district, which has a communications staff of seven people, hires an independent contractor to write the Road Wizard commentary, costing \$8,400 a year.⁸³



The rationale was provided by ACHD spokesman Craig Quintana, “The outsider provides a third-party perspective, writing as a pseudo-ombudsman for the public. We frequently take our lumps for things readers bring up to the Wizard, and having an ACHD employee write it would certainly curtail the level of criticism. True, I edit the column, but the fact that it originates from an outsider ensures a more critical eye.”⁸⁴

⁸² Ada County Highway District data.

⁸³ Ibid.

⁸⁴ Email correspondence from Quintana to the Idaho Freedom Foundation.

Quintana also contends that of his communications staff, only three are writers. Maybe what the highway district needs is not a wizard, but a rocket scientist – someone who can use math instead of magic to help this government agency figure out a way to save more than \$63,000 a year. This is a serious blurring of the lines between propaganda and journalism.

Welcome to the club, dear taxpayer

Taxpayers may not know it, but they are members of many exclusive clubs. During the last budget year, the state spent \$4.3 million on group publications, subscriptions and memberships. As it turns out, there's an organization for just about everything. State agencies are members of national groups, and each national group charges a membership fee, which is paid through taxes. For example, during the 2009 budget year, taxpayers shelled out \$36,000 for the state's yearly membership dues in the Western Governors Association and \$60,700 for the National Governors Association (NGA).⁸⁵ Both organizations claim to represent the bi-partisan interest of state governors. NGA says it "provides governors and their senior staff members with services that range from representing states on Capitol Hill and before the Administration on key federal issues to developing and implementing innovative solutions to public policy challenges through the NGA Center for Best Practices."⁸⁶

The Western Governors Association says its mission is to "identify and address key policy and governance issues for the West."⁸⁷ Idaho has four members of Congress – two senators and two representatives. The state does not need to spend almost \$97,000 to get representation on national issues when that representation is guaranteed under Constitution. The Otter administration announced in November that Idaho will drop its NGA membership.⁸⁸ This is a good start, but other memberships and club dues should also cease immediately.

⁸⁵ State Controller's Office data, FY 2009, and email correspondence from Mark Warbis, communications director for Gov. Butch Otter.

⁸⁶ <http://www.nga.org>.

⁸⁷ <http://www.westgov.org>.

⁸⁸ Division of Financial Management administrator Wayne Hammon at the Associated Taxpayers of Idaho annual meeting, Nov. 18, 2009.

We love to fly, and it shows

State agency employees have a legitimate need to travel, but the sky is not the limit. In September 2008, after it was clear that the state budget picture was rapidly deteriorating, the University of Idaho chartered an airplane at a cost of \$4,654. According to public records, the flight was for a commencement in Idaho Falls.⁸⁹ The university provided the following explanation: “There were seven individuals: the president and provost, the faculty chair, three people with events staff, and one video production staff” on the flight, said university spokeswoman Joni Kirk. After reviewing commercially available flights, the Idaho Freedom Foundation determined that seven tickets on a flight from Moscow to Idaho Falls would cost less than \$1,500. “No, it wouldn't cost less,” Kirk said. “In addition to the cost savings on individuals, our events and video production team hauls a great deal of equipment for commencement (more than 500 pounds worth). A charter plane was the fiscally smart way to travel for commencement.”⁹⁰

It is hard to buy Ms. Kirk's expensive conclusion. Film crews with video equipment fly commercial, so the private sector seems to have figured out how to avoid chartering a plane. In many cases, equipment is rented at the location and local film crews are supervised by a producer.

The Idaho State University campus at Idaho Falls, a local television station, or a local company such as Intermountain Film Productions could have provided whatever was needed and saved taxpayers thousands of dollars.

⁸⁹ Records received from the University of Idaho showing charter air craft expenditures.

⁹⁰ Email from Joni Kirk, September 9, 2009.

Furnishing taxpayers with questions about spending

During the 2008-2009 budget year, state agencies spent \$20 million on furniture, cars, trucks and computer equipment. It's hard to tell how much of that spending was truly necessary without going to each agency and asking questions specific to every single transaction. But compare state spending with what individuals do in their own home, and some of it just doesn't wash. In 2008-2009, the state spent \$1.1 million on furniture, with \$122,000 going to Idaho State University.⁹¹ A total of \$95,595 went to furnish the new Center for Advanced Energy Studies.⁹²

There was some curious spending that took place: The school spent about \$1,000 on a new desk for the home office of new university president Arthur Valis, and \$150 for a credenza. The school said the old president didn't have a home office and therefore the expenditure was necessary. The school also spent \$3,900 to replace worn-out furniture in the president's house.⁹³ Anyone who was not spending someone else's money would have found a less expensive alternative, especially during a recession.

⁹¹ State Controller's Office data for 2008-2009.

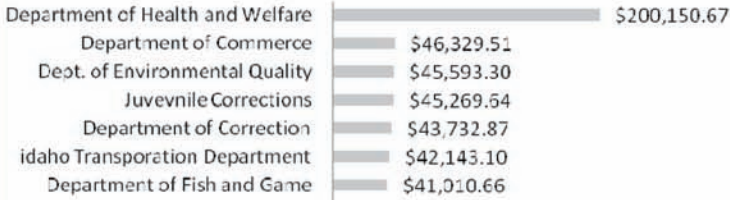
⁹² Data from Idaho State University.

⁹³ Ibid.

Food Fight!

State agencies spent a combined \$904,500⁹⁴ on refreshments and meals from July 1, 2008 to June 30, 2009. The agencies were quick to point out that only about \$98,000 came from the state general fund. The fact is that all spending by state government deserves scrutiny, even if it comes out of a pot marked “federal funds” or some other account.

Top Spenders: Refreshments and Meals FY 2009



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⁹⁴ State Controller’s Office data, FY 2009.

⁹⁵ Analysis of state spending data by the Idaho Freedom Foundation.

We'll fix that accounting problem eventually

In the 2008 budget year, the state Department of Health and Welfare's employees racked up \$6.6 million in charges in 40,000 purchase card transactions. But auditors soon discovered that these card transactions – which function a lot like credit cards – don't have consistent oversight.

"We noted that approvals are not performed by appropriate staff, and sales taxes are paid on P-Card transactions in error," state auditors observed.⁹⁶ Regarding sales taxes, the department disputed the auditors' findings, saying that sales tax was paid on purchases made in other states, and, of course, Idaho government agencies are not exempt from sales tax in other states.

But the department acknowledged that in some cases, P-card purchases were being made without the appropriate approval of agency higher-ups. The department, in May 2008, said it was working on a solution that would be fully implemented – by August 2009.⁹⁷

The auditors found this curious, and commented, "We are concerned that implementation will take 15 months to complete."⁹⁸

⁹⁶ Legislative Audits Internal Controls Report for the Fiscal Year Ended June 30, 2008.

⁹⁷ *Ibid.*

⁹⁸ *Ibid.*

A desire named Streetcar

Folks in Boise city government really want a streetcar. They're pining for the federal government to write a check for a portion of the \$60 million project. While the city waits for the federal government to hand out money, the words "may not be funded" have not scared anyone from spending money.

In October, the city inked a \$90,000 contract with Cronin and Associates to handle public relations for the project. The agreement came after Boise City Council members were assured that owner Brian Cronin, a state representative and former campaign aide to Mayor Dave Bieter, wasn't getting special treatment. But less than a month after approving the contract, councilmembers learned that months before the council's action, Cronin had been paid \$2,000 to work on streetcar outreach and promotion.⁹⁹

Even worse, the city and the city's urban renewal district, the Capital City Development Corporation (CCDC), have allotted more than \$1 million for communications, project management, engineering and additional studies for this highly speculative project. In February 2009, CCDC entered into a five-year contract with a Boise ad agency "to communicate the project's purpose, funding, design and operations with multiple stakeholder groups."¹⁰⁰

This is all for a project that has yet to receive a commitment of federal funding and has no specific plan in place telling local taxpayers what they would be expected to pay in each year.

⁹⁹ *Idaho Statesman*, Nov. 17, 2009.

¹⁰⁰ *Idaho Business Review*, October 12, 2009.

Urban renewal districts are the new urban legend

When the government takes entire swaths of farm land and calls it “urban renewal,” one can’t help but be a little curious as to whether these urban renewal districts are solving the problems they purport to solve. Dig deeper below the surface, and troubling revelations emerge.

Urban renewal districts use “tax increment financing” to reach an objective. Essentially, that means any taxes gained from property development in the district is fed back into the district. The downside of that is obvious: The rest of the city misses out on the added tax revenue, and taxpayers everywhere are forced to subsidize the difference.

Even worse, sometimes tax revenues are used to pay for programs that have nothing to do with eradicating urban blight and money is diverted to projects that are purely the conversion of taxpayer dollars to private use. Here are some examples:

In Caldwell, taxpayers subsidize the YMCA memberships of city, council, school district and even private sector employees. The program has cost \$75,000 for each of the last two years.¹⁰¹

Additionally, the urban renewal district is helping to subsidize the \$7 million expansion of Treasure Valley Community College – a school that is supposed to be supported by Oregon taxpayers but is now becoming the burden of Caldwell taxpayers.¹⁰²

In Coeur d’Alene, taxpayers pay for the Lake City Development Corporation (LCDC). The agency financed projects that include \$186,000 for building brick work, \$47,000 for apartment complex siding and \$12,000 for street-side banners.¹⁰³

¹⁰¹ Caldwell Urban Renewal Agency meeting minutes.

¹⁰² Ibid.

¹⁰³ Dan Gookin, Mary Souza white paper on LCDC urban renewal projects, 2008.

LCDC claims among its successes the construction of a 15-story condo and mixed-use office space for which taxpayers coughed up \$343,000 as well as paying \$405,000 spent on a 10-unit residential complex in the downtown area.¹⁰⁴

Of course, the most interesting and costly example of urban renewal abuse probably comes from the city of Nampa, where an urban renewal district was extended into farmland, and today the residual of that district remains in the form of the Idaho Center, which draws singers and other celebrities, along with \$700,000 a year in subsidies from the city's taxpayers.¹⁰⁵ Only in the case of urban renewal is it considered good public policy to take taxpayer dollars and convert it to private use.

¹⁰⁴ LCDC website, <http://www.lcdc.org>.

¹⁰⁵ Data from the city of Nampa for the FY 2010 budget year.

Shhhh! How did we spend \$1.3 million? It's a secret

For the better part of the last 18 years, the Greater Boise Auditorium District has had a bewildering kinship with the Boise Convention and Visitors Bureau – a relationship in which the bureau has a no-bid deal to spend \$1.3 million in taxpayer dollars with almost no oversight from the auditorium district that provides the funding. When a local hotelier at Ameritel Inns asked legitimate questions about how the money is spent, the bureau refused to provide details, and the district remained aloof.

The district collects a 5 percent room tax on each hotel and motel in the district. A portion of that money goes to the Boise Visitors Bureau to market the auditorium district's Boise Centre.

The bureau is a nonprofit corporation, supposedly separate and distinct from the auditorium district, yet the bureau's executive director reports to the auditorium district board, and a member of the auditorium district board serves on the board of the bureau. And while the bureau contends it is a separate entity, it has never had to bid for the auditorium district's business. Records from recent years would seem to indicate the auditorium district board has done little to oversee the bureau's budget beyond doling out the money.

Records also show that the bureau is able to exercise some control over the Boise Centre's revenue stream – offering groups discounts for the use of the auditorium facility based on the number of hotel rooms a group rents. While the district and the bureau are clearly intertwined, the bureau now contends it does not have to comply with the state's public records law and is refusing to provide detailed records of its expenditures to Ameritel Inns. The hotelier wants to know how the bureau is paying its employees, including bonuses awarded in the last year, the distribution of travel allowances and other expenses incurred by the bureau.

The bureau "is a private, nonprofit corporation and not an 'independent public body corporate and politic' or 'public agency' as those terms are defined under Idaho's public records law," bureau Executive Director Bobbie Patterson said in

an email. “Therefore, the Bureau is not subject to Idaho’s public records law and is not required to respond to Ameritel’s public records request.”¹⁰⁶ The question of whether the bureau is a nonprofit entity or an arm of a government agency is a mirage.

If the bureau spends taxpayer money, it should answer to any public record request and bend over backwards to explain how money is spent even if it believes the public records request is inconvenient or obtrusive. The burden is on the bureau, not the hotelier, to comply. Furthermore, the auditorium district should be as curious as Ameritel about where the money went. Once in the hands of the auditorium district, the spending records would unquestionably become a matter of public record. If the bureau won’t provide the records, the district should go somewhere else for its marketing services. Nothing good happens under the cover of darkness, and the fact that bureau is so guarded about its spending and the auditorium district is seemingly untroubled should make taxpayers angry.

This is what happens when government operates in the dark: The executive director of the Boise Convention and Visitors Bureau was paid \$119,000 in 2006 and walked away with a 23.5 percent pay increase to \$147,000 in 2008.¹⁰⁷

¹⁰⁶ Email exchange on Sept. 24, 2009, between the Boise Auditorium District and Boise Convention and Visitors Bureau.

¹⁰⁷ Data received from the attorney for the Boise Convention and Visitors Bureau. However, the attorney refused to provide data on how much of the salary represented a base amount and how much was derived from bonuses.

CHAPTER 6: WHAT THEY DON'T TEACH ABOUT EDUCATION IN IDAHO

In Idaho, there seems little doubt that government has done an abysmal job producing good results when it comes to education. State leaders put more and more money into the system and hope that education will get better. Of course, if more money was an indicator of good results, Hollywood should be able to produce the most well-adjusted children, now wouldn't it? Idaho has struggled to prioritize education funding, putting every child at risk and rewarding mediocrity in the process.



Get a degree, figure out why Idaho higher ed is broken

The state of Idaho has four institutions offering four-year degrees: Boise State University, University of Idaho, Idaho State University and Lewis-Clark State College. It is difficult to figure out what is driving the funding decisions. State general fund support for the four schools has grown at a rate that far exceeds the growth of the student population.¹⁰⁸

General fund support

College	FY 2006	FY 2009	Increase
Boise State University	\$69,888,500	\$89,148,200	27.6%
Idaho State University	\$61,893,600	\$77,378,100	25.0%
University of Idaho	\$82,753,500	\$99,457,400	20.2%
Lewis-Clark State College	\$11,358,500	\$16,052,800	41.3%

Fall enrollment headcount

College	FY 2006	FY 2009	change
Boise State University	17,614	18,675	6.02%
Idaho State University	12,762	11,359	-10.99%
University of Idaho	12,476	11,791	-5.49%
Lewis-Clark State College	2,653	2,855	7.61%

¹⁰⁸ Idaho Legislative Budget Books, 2006 and 2010.

We love our school employees THIS MUCH

Idaho's top education official, the superintendent of public instruction, earns \$91,025 a year. But that's nothing compared to the salaries earned by public school superintendents across the state.

According to data gathered through the Idaho Freedom Foundation's government transparency website, www.ouridaho.com, Boise School District Superintendent Stan Olson earns \$171,478 a year. That puts his salary above that earned by Dene Thomas, the president of Lewis-Clark State College, which is \$162,700. It's also more than the \$141,000 earned by Linda Clark, who is the superintendent of the Meridian School District – the largest.¹⁰⁹

The Boise School District also has a team of administrators who earn \$121,500 per year – putting their salaries above those earned by the justices on the Idaho Supreme Court.¹¹⁰

¹⁰⁹ www.ouridaho.com, the Idaho Freedom Foundation government transparency website.

¹¹⁰ *ibid.*

The porkiest plan of all: The way teachers are paid

Idaho dumps more than \$756 million into teacher salaries.¹¹¹

Lawmakers in 2009 adjusted the public school funding formula to cut from this growing portion of the budget, but the reality is teachers are still paid in a way that defies the free market: Teachers get more money based on how much experience and education they have. That means that as an excellent teacher with five years' experience and a Master's Degree, they will make the same money as a teacher who has the same education and experience but is just marking time. Idaho lawmakers looking for a way to save money in 2010 might consider upending this system of rewarding mediocrity.

It is strange that each school district comes up with its own health benefits package, rather than pooling resources statewide. Including teachers in the same insurance pool as the 26,000 state employees would be another way to save taxpayer dollars.

¹¹¹ 2009 Legislative Fiscal Report, pages 1-15.

CONCLUSION

If Idaho's leaders are serious about cutting government – and taxpayers should hope they are – the *2010 Idaho Pork Report* should be used as a handbook for real reform. The legwork, providing examples of government waste, excess and abuse is done. There are examples of minor agencies and major government programs, problem policies and oddball decisions – all deserving of scrutiny and review.

In November, Gov. Butch Otter launched a website intended to solicit ideas from the public on how to cut government. That was a wise first step – but hardly the final one. While lawmakers need to act this legislative session to cut the excess out of state government, they should take additional steps to pull even the slightest unnecessary spending out of the budget.

Idaho lawmakers could easily establish the state's own Grace Commission – a panel of people from all walks of life who would examine every aspect of government. Like its 1982 namesake, Idaho's Grace Commission could identify even more examples of state programs and expenditures that need to be cut. The commission could also identify opportunities to move some state services to the private sector.

Finally, the state should adopt measures to bring about heightened government transparency. An online checkbook – where Idahoans can see how every last penny is spent – is critical to efforts to eliminate unnecessary government expenditures.



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