



**THIRD ANNUAL
IDAHO PUBLIC
POLICY SURVEY**



BOISE STATE UNIVERSITY

SCHOOL OF PUBLIC SERVICE

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About the Survey

The Third Annual Idaho Public Policy Survey was conducted December 2-7, 2017 and surveyed 1000 adults currently living in the state of Idaho. The survey sample was designed to be representative of all regions of the state. The results illuminate new and ongoing public priorities as well as sentiment about the direction of the state and its economy. Respondents were asked about their attitudes concerning several key policy issues, including taxes, health care, education, and workforce development. GS Strategy Group, a Boise-based polling firm, administered the survey on behalf of the School of Public Service. Statewide results have a margin of error of +/- 3.1%.

Key Findings:

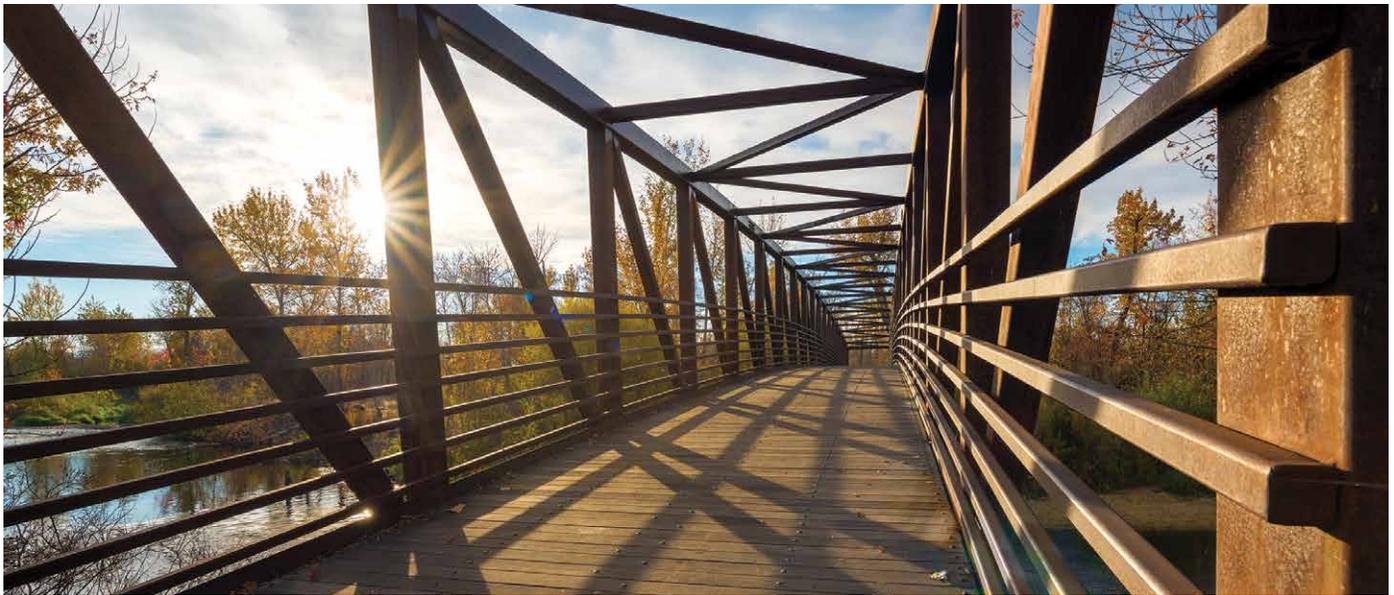
- Education and economic matters such as jobs and wages continue to be seen as the top two issues facing the state, though both health care and taxes are growing in importance.
- Idahoans' optimism about the state's economic future continues to grow.
- Concerns persist about the quality of education in the state, though respondents view their own districts more favorably than the state as a whole.
- Respondents report low levels of awareness of existing workforce development programs and opportunities.
- Attitudes about budget and taxes remains steady and generally satisfied, though nearly one-half of respondents support lowering state taxes even knowing lower taxes often results in fewer resources to pay for government services.
- Most respondents say their health insurance rates have gone up and strong support exists for an Idaho solution regarding affordable insurance plans.

For more information visit:

sps.boisestate.edu/2018-idaho-public-policy-survey/



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The Third Annual Idaho Public Policy Survey shows that attitudes about policy preferences and priorities have remained fairly steady in most key areas over the past year, from the issues that matter to them to the way they evaluate the direction of the state, budgets and revenues, and the quality of public education in Idaho.

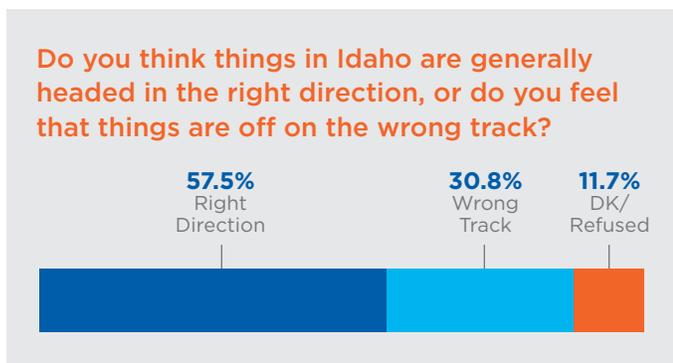
A majority continues to view Idaho as generally headed in the right direction. 57.5% of respondents reported this favorable opinion, which reflects a slight dip (-4.2%) from a year ago but is generally consistent with the pattern observed over the previous two studies. The results

of this perennial question are a microcosm for more complex public preferences, documented in this report, which can best be characterized by stability in their priorities and their optimism.

Idahoans today are bullish about the state's economy, but continue to rank it and education as the top public priorities. They continue to evaluate the quality of public education unfavorably, and new data shows additional potential issues related to

Idahoans remain optimistic about the economy, but continue to view it as a top policy priority.

workforce training and education opportunities. Most tend to be satisfied with the state's current approaches to budget and revenue, though many are also supportive of some changes in the tax structure to reduce taxes. And while most Idahoans think the state is going the right way, there are areas where citizens would like to see state action, such as with health care, where strong support exists for extending coverage to those who cannot afford it and developing a state plan to make health insurance more affordable.



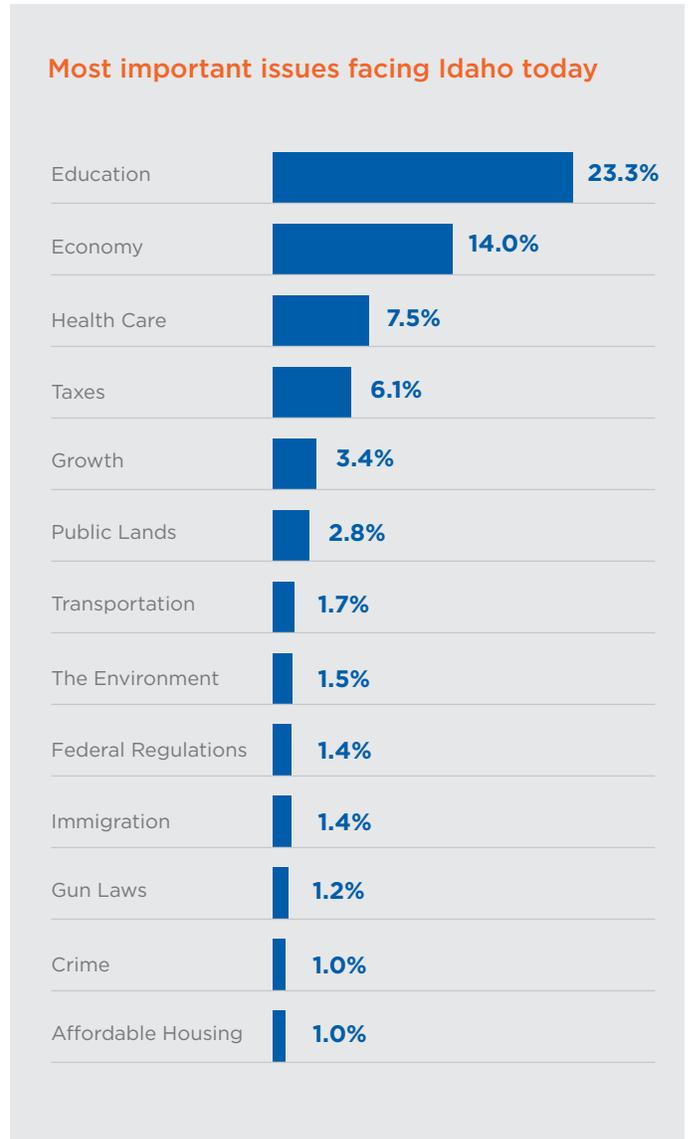
State Priorities

For the third year in a row, Idahoans view education and the economy as the top two important issues facing Idaho today. In response to an open-ended question, 23.3% of respondents mentioned education or schools in their answer, making this issue again the top concern. However, that number also indicates a slight but continuing decline for education, down from 26.5% a year ago and a high of 28.2% two years ago.

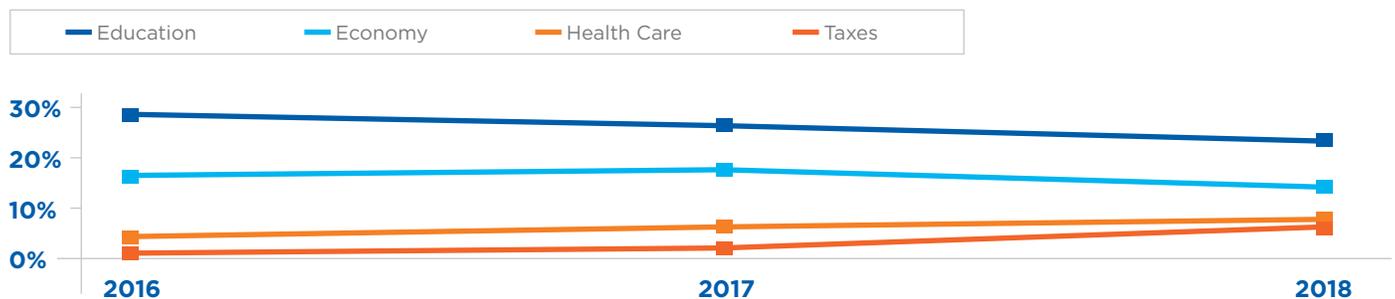
A similar trend is present when it comes to the second most important issue: the Idaho economy. 14% of respondents mentioned the economy, jobs, wages, or labor in their answers, which was down slightly from 17.6% a year ago and 16.6% the year before.

As we see slight but persistent decline in concern about these two core issues, corresponding increases are occurring in the areas of health care and taxes. 7.5% of respondents identified health care as the state's most important issue, ranking it third behind education and the economy for the third year in a row. However, that figure marks a +1.2% growth over a year ago and is over three percentage points higher than the year before.

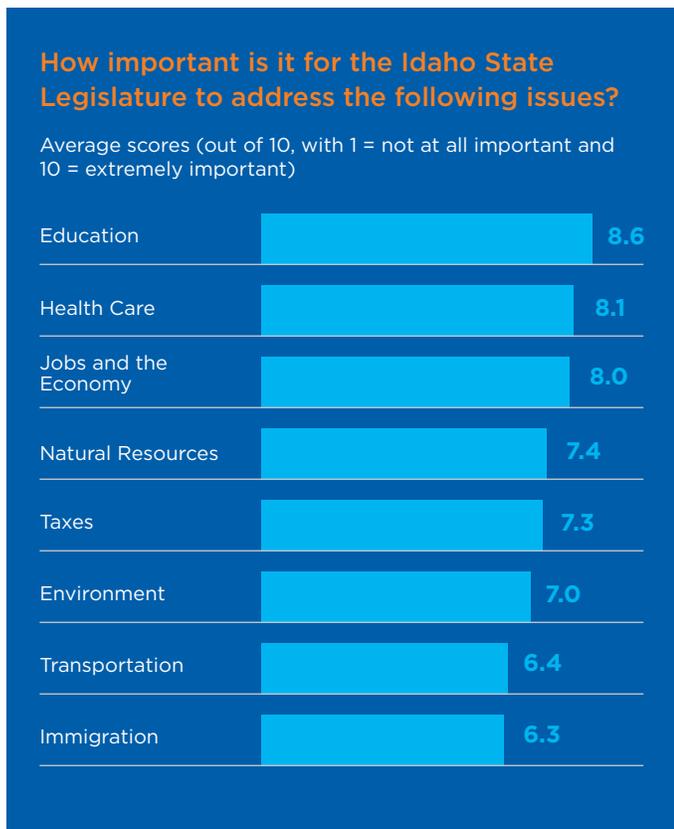
Tax reform is the newcomer in the top tier of important issues facing the state, with 6.1% of respondents mentioning either taxes or tax policy. This marks a nearly four percentage point increase over a year ago and a +5% increase over the past two years, when only 1.1% of respondents identified this issue as the most important one facing the state.



Most important issues over time



When it comes to whether elected officials should take action on these issues, a generally consistent pattern emerges. As in previous years, respondents were asked to rate on a 1-10 scale the importance of the Idaho legislature addressing several specific issues. With 1 being not at all important and 10 being extremely important, issues ranged in importance from high public priorities such as education, which had an average rating of 8.6, to lower public priorities such as transportation and immigration, which had average ratings of 6.4 and 6.3, respectively. In between were health care, jobs and the economy, natural resources, taxes, and the environment.



The results of these questions are generally consistent with the responses to the open-ended question about the state's most important issue. Majorities rated the importance of education, jobs and the economy, health care, and taxes each as very important (i.e., either an 8, 9, or 10), while lower public priority issues such as transportation and immigration only have 33.5% and 40%, respectively, rating them as such.

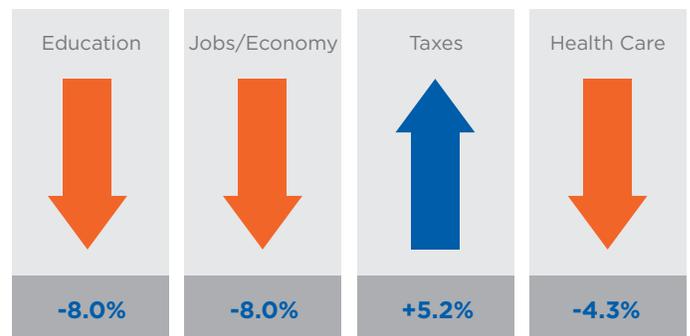
Particularly interesting here are the over-time changes we can see, having asked about each of these policy areas at least twice and, in some cases, three times over three years. For example, for both education and jobs and the economy, as was the case with the open-ended question, we see a slight decline in the public demand for action. In both cases, the percentage of respondents who scored the issue as very important (i.e., an 8, 9, or 10) declined by eight percentage points since a year ago, dropping to 72.4% for education and 62.2% for jobs and the economy. At the same time, the number rating taxes as very important increased by 5.2 percentage points to 51.8%, consistent with the growth seen in the open-ended question.

Education, health care, and the economy are the top issues Idahoans think state leaders should address, while the number rating taxes as a high priority has grown from previous surveys.

Interestingly, health care saw its average score drop from 8.3 to 8.1 and the percentage rating addressing it as very important drop from 70.5% to 66.2%, so not all patterns are fully borne out. Also of note, there have been slight gains in the importance of addressing transportation and the environment over the past two years, while demand for action on immigration has stayed flat and has declined when it comes to natural resources. That change regarding natural resources is particularly interesting in light of other attitudes held by Idahoans concerning the state's economy and the role of resource extraction in it.

Changes in response over the past three years

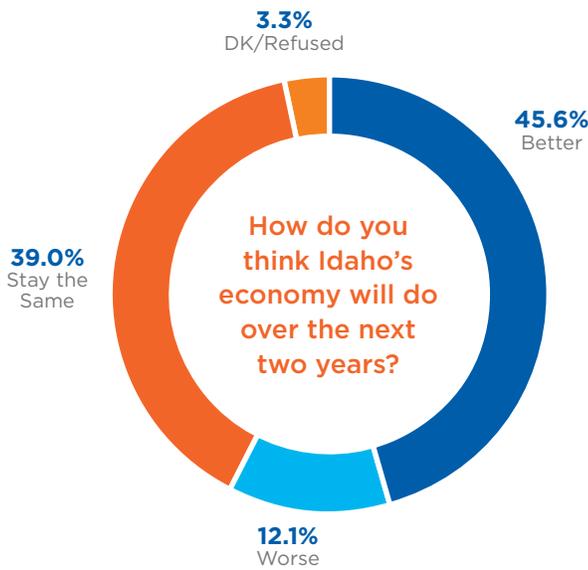
Figures refer to percentage rating an issue as either 8, 9, or 10



The Idaho Economy

A strong and vibrant economy matters a great deal to those who live and work in Idaho. Economic issues such as jobs and wages occupied the second highest position on Idahoans' list of important issues facing the state and nearly one-third of respondents (32.2%) rated the importance of the legislature addressing jobs and the economy as a 10 on a scale of 1-10.

Attitudes about the state's economic future are on an upward trend with 45.6% of respondents saying they think Idaho's economy is going to get better over the next two years, an increase of +2.2% over a year ago and a total increase of nearly six percentage points over the past two years. Another 39% think it will stay the same, while only 12.1% think it will worsen over that time period.



Idahoans are divided, however, on what that future Idaho economy ought to look like. 56.8% of respondents agree that the state's economy of the future should focus on growing new industries like technology and computer sciences, encouraging innovation, and an entrepreneurial culture. A little more than one-third (34.4%) of respondents agreed instead that the future Idaho economy should focus on its historical strengths in natural resources. These figures are consistent with the results when this question was asked two years ago.

Attitudes about Idaho's future economy

The Idaho economy of the future should focus on growing new industries like technology and computer sciences, encouraging innovation and an entrepreneurial culture

56.8%

34.3%

The Idaho economy of the future should focus on its historical strengths in natural resources, like agriculture, timber and mining

8.9% DK/Refused

Even so, large majorities of Idaho residents continue to view natural resources like agriculture, mining, and timber as being of great importance to the state's economy. Indeed, 49.3% of respondents said these kinds of natural resources were extremely important, while another 35.6% said they were very important.

The results of this year's survey revealed interesting insights into public sentiment concerning mining, in particular. Four in five respondents (80.4%) believe mining in Idaho can be done in an environmentally responsible manner, with over 55% of respondents strongly agreeing with that statement. Further, when presented with a choice between having mining in Idaho in order to reduce reliance on foreign products versus relying on trade to import minerals, Idahoans favor mining in the state by a two-to-one margin, with 61.2% in favor vs. 29.5% who prefer to rely on international trade.

Idahoans' attitudes about mining

84.9%

say natural resources like agriculture, mining, and timber are extremely or very important to Idaho's economy

80.4%

agree mining in Idaho can be done in an environmentally responsible manner

61.2%

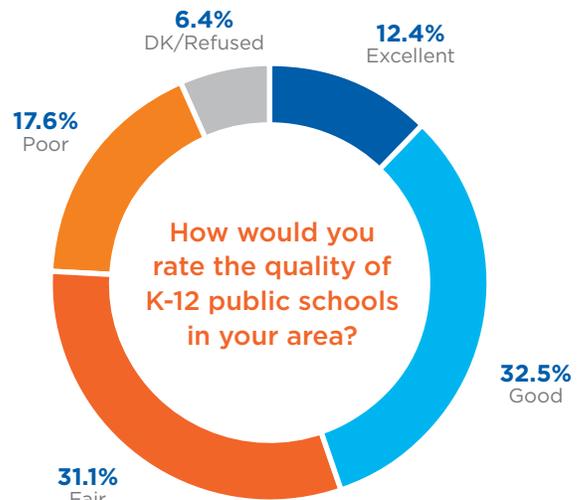
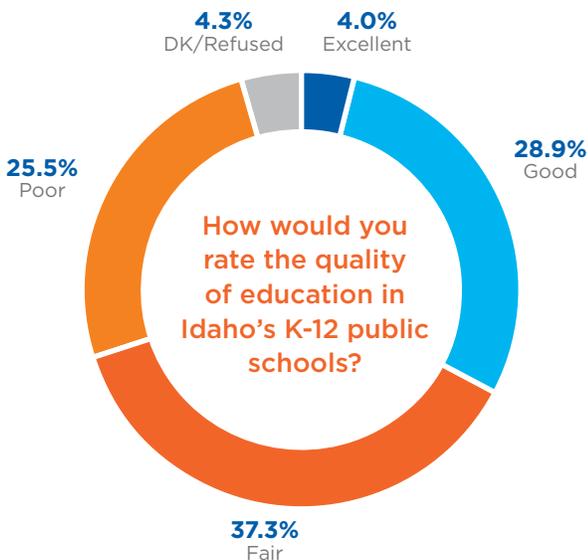
think Idaho should lead the way by mining for critical minerals here

Education and Workforce Development

Public education remains both the top policy priority for Idahoans as well as an ongoing area of concern when it comes to the quality of education being offered here. Although the results of this year's survey show a slight decline in both the issue's importance as well as public demand for related legislative action, results also show a slight decline in the public's evaluation of the quality of public education, as well as concerns about how young Idahoans are being prepared for college and careers after high school.

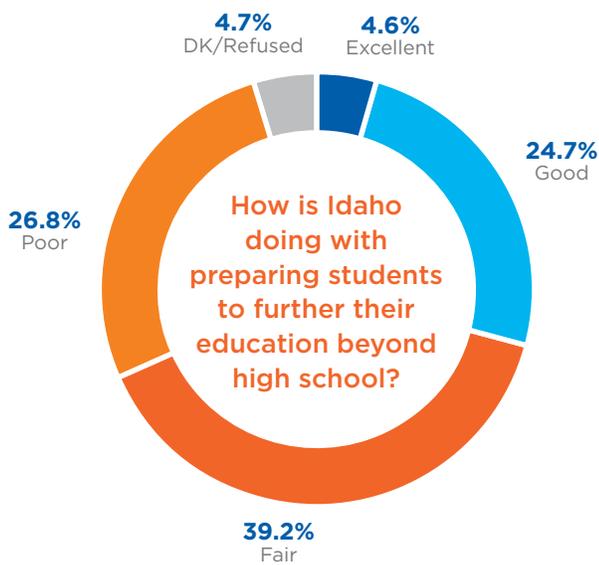
Idahoans continue to regard public education in the state unfavorably. 62.8% rate the quality of education in Idaho's K-12 public schools as either fair or poor, a figure which is up slightly from a year ago. Less than one-third of Idahoans rate the state's public education as excellent or good, with only 4% saying excellent. Although there has been slight year-to-year fluctuation in the specific percentages, the pattern of significant public dissatisfaction persists.

Attitudes are more positive when respondents are asked about the quality of education offered in their own school district, with the percentage of those rating local education offerings as either excellent or good up +12% over the state as a whole. However, the number of those offering lower evaluations of even their local school district (48.7% rate as either fair or poor) is higher than those offering positive evaluations (44.9% rate as either excellent or good). Similar to the statewide year-to-year dynamics, this year's local district figures are down nearly five percentage points.



Idahoans view their local schools more favorably than those of the state as a whole, but most view even their local schools unfavorably.

Idahoans give the state similarly low marks for the job it does preparing students to further their education beyond high school. Two-thirds of respondents (66.0%) rated the state as either fair or poor in this area, with another one-fourth (24.7%) saying the state does a good job and less than 5% rating the state as excellent.



In order to gain new insight into public attitudes about education and workforce development, survey respondents were read a series of statements about the subject and asked to rate on a scale of 1-10 how much they agreed with each statement, with 1 meaning they disagreed completely and 10 meaning they agreed completely. Respondents were least in agreement with statements concerning awareness of post-high school options by those most directly affected. Only 17.1% strongly agreed (i.e., rated the statement with an 8, 9, or 10) that high school students and their parents have a clear understanding of technical or trade school opportunities in Idaho, while only 21.7% strongly agreed that such students and parents clearly understand the state’s university program opportunities.

Public sentiment becomes increasingly positive, though still not overwhelmingly so, when it comes to more clearly workforce-related questions. For example, 26.6% strongly agreed with the statement “There are enough opportunities for either your school-age child or children you know to stay in Idaho” while nearly one-third (32%) strongly agreed with the statement “Idaho’s colleges and universities are providing Idaho with an excellent workforce.”

Mixed attitudes about workforce development in Idaho

On a scale of 1-10, Idahoans agree:

Idaho’s colleges and universities provide the state with an excellent workforce



School-age children have enough opportunities to stay in Idaho



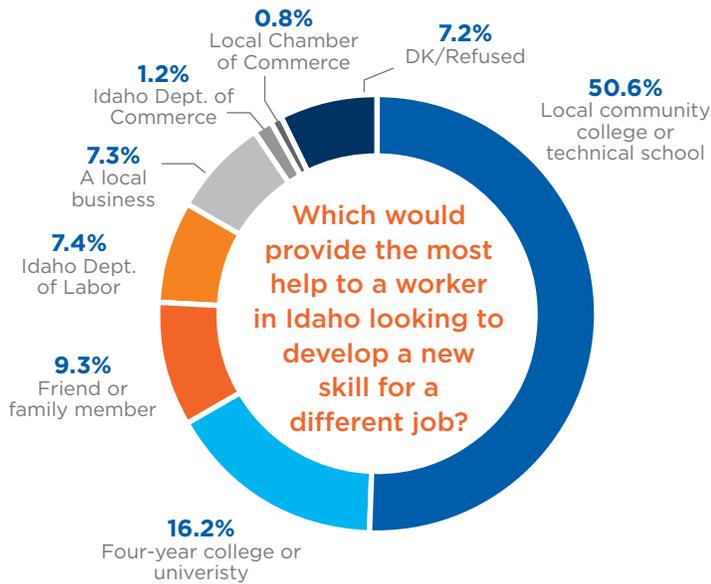
Students and parents understand Idaho’s university opportunities



Students and parents understand technical or trade school opportunities



Turning to workforce development more directly, the results of this survey provide valuable insight into how Idahoans think about job skill development. When offered several options and asked which would provide the most help to a worker in Idaho looking to develop a new skill for a different job, the state's institutions of higher education came out clearly on top. Over half of respondents (50.6%) selected community colleges and technical schools, followed by four-year colleges and universities (16.2%). Other popular choices included friends and family members (9.3%), the state's Department of Labor (7.4%), and local businesses (7.3%).



That said, when asked whether they had recently seen, read, or heard any information about workforce education and training opportunities in their area, a strong majority (70%) said no. Moreover, of those that said they had recently heard such information, there was no clear consensus about the kinds of workforce information they had learned about, beyond general references to trade and technical programs and localized references to specific institutions.

These findings are reinforced by the responses to a pair of questions concerning Governor C.L. “Butch” Otter’s recent actions regarding the state’s workforce development system. Informed that the governor had recently issued an executive order that created a new, more powerful committee to oversee the state’s workforce education efforts, respondents were then asked to select their first and second priorities for related proposals from a list of options.

The overwhelming top choice of respondents was increasing awareness and access to career education and training opportunities, with 44.4% rating this as their top priority and 67.3% having it as one of their top two. The second most popular choice was improving the effectiveness of workforce development programs and services, which was the top choice of 21.3% and in the top two for 50.4% of respondents, followed by ensuring efficient use of federal, state, and local workforce development resources (17.6% said top choice, 40.4% had it in their top two). Developing performance measures to track the effectiveness of workforce training funds was the top choice of only 8.7% of respondents, and only made the top two of less than one-fifth of the sample (27.3%).

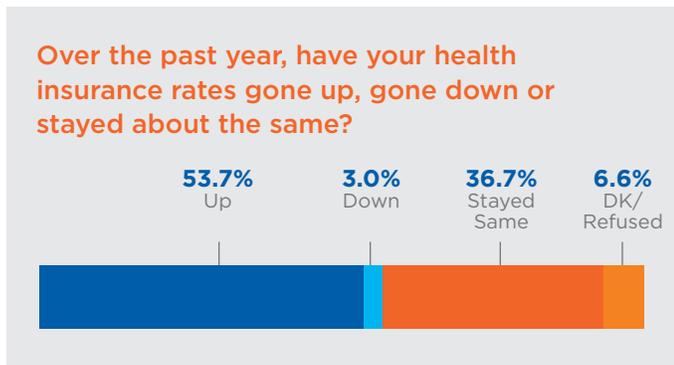
When it comes to Governor Otter’s new workforce development committee, the clear preference of Idahoans is increasing awareness and access to education and training opportunities



Health Care

The third most important issue for the state for three years in a row, Idahoans' concern about health care has increased slightly over each of the past two years.

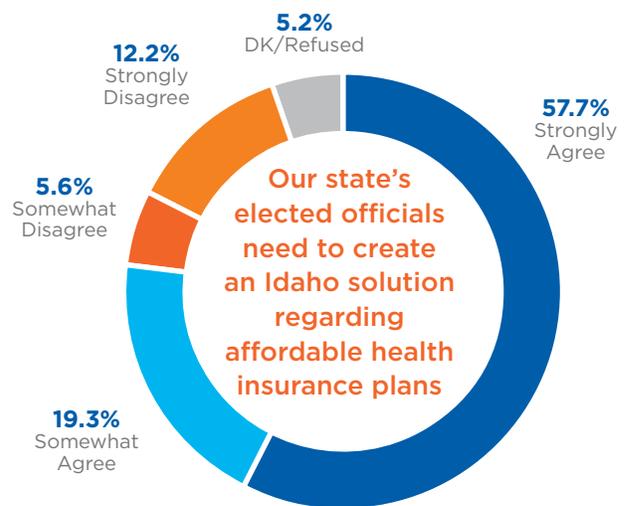
Today, Idahoans report seeing their insurance premiums rising. A majority of citizens in this survey (53.7%) report that their insurance premiums have increased in the past year, and a little more than a third (36.7%) say that they have stayed the same, with very few (3%) saying that they have fallen. About half (50.9%) get their health insurance from either their own or their spouse's employer, with smaller numbers receiving insurance from Medicare (17.8%) or purchased through an exchange (14.8%). Few respondents report receiving insurance from Medicaid (4.7%) or being without insurance (8.6%).



Turning to health care policy, we see that there is limited support for the Affordable Care Act (also known as Obamacare), but widespread support for the creation of an affordable Idaho solution. A majority of Idahoans (58.8%) disapprove of the Affordable Care Act with a little more than a third (35.2%) approving.

Attitudes change dramatically when it comes to the creation of an Idaho solution to health care problems. More than three-fourths of respondents (77%) believe that the state should do this, with a relatively small minority (17.8%) thinking that it should not. When looking to public preferences about what they want their plans to contain, affordability appears to be the top priority, with a majority (51.7%) saying that an affordable plan was more important than a higher cost plan with more benefits, which was preferred by a third of people (33.2%).

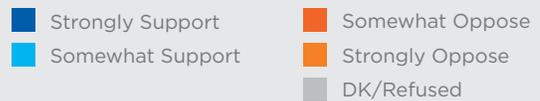
With over half of Idahoans reporting rising insurance premiums, strong support exists for the creation of an Idaho solution to affordable health care.



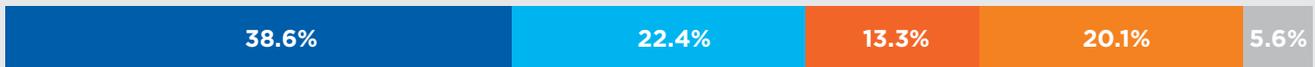
In order to pursue affordability, some changes would need to be made to the existing system. In light of this, we asked Idahoans about four different kinds of changes that could be made and whether each potential change would affect their support for a potential reform plan. There is majority support for having healthy individuals pay less (61%), and for having chiropractic care be optional and available at an additional charge (64.7%). Citizens are fairly evenly split on the matter of changes to maternity coverage, with a little over half (51.3%) supporting making this optional and an additional cost for those who need it. However, there is little support for charging those with pre-existing conditions more (only 25.3% favor this).

The final topic we asked about pertaining to health care involved the 78,000 low income Idahoans who do not have access to affordable coverage. There is broad support (75.7%) for the governor and state legislature taking action to provide these citizens with access to quality health care, and a small minority (16.6%) who oppose such state action. Compared to one year ago, we see similar but slightly higher support (up 4.9%) for this action. Although we do not ask about specific policies for accomplishing this goal, there appears to be decided support for some level of state movement on this issue.

Idahoans' support for potential changes in insurance policies



Healthy individuals would be charged less



People with pre-existing conditions would be charged more



Maternity coverage would be optional and an additional cost for those who need it

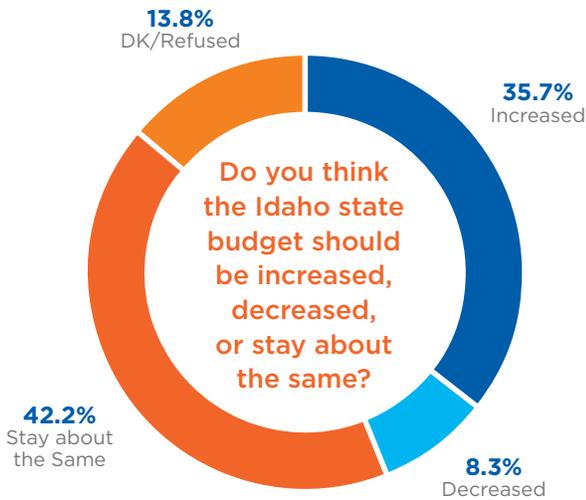


Chiropractic coverage would be optional and an additional cost for those who need it

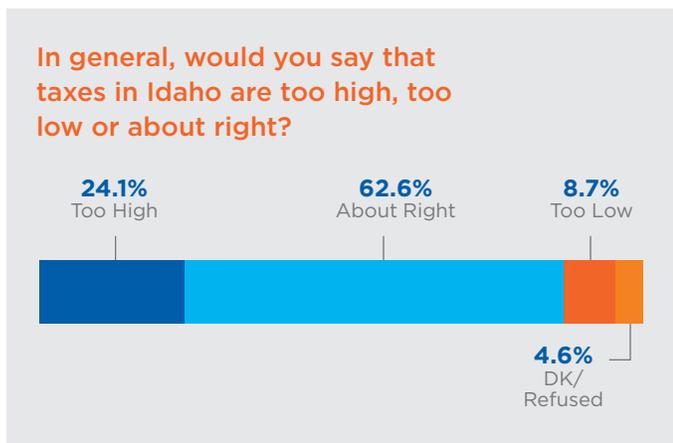


Taxes and the Budget

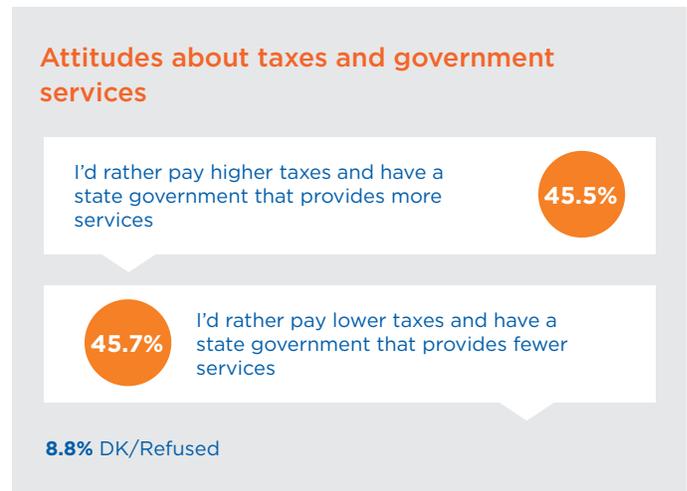
Idahoans are generally satisfied with the overall fiscal picture in the state, though they do see some areas for potential improvement. There is little appetite for decreasing the size of the state budget (only 8.3% of respondents want this), with most citizens preferring to either keep the state budget the same (42.2%) or increase it (35.7%).



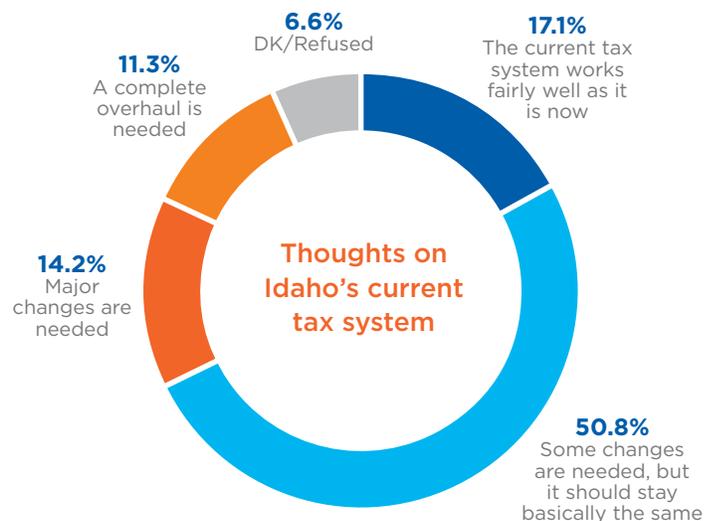
When asked specifically about the tax burden, a sizeable majority (62.6%) responded that taxes are “about right” with much smaller numbers believing that they are too high (24.1%) or low (8.7%). These figures have remained stable for three consecutive years.



Because tax and budget decisions are inherently tied together, we asked a follow-up question that seeks to understand how people weigh these two considerations together - i.e., do they want higher taxes if it means more state services, or lower taxes with fewer services provided. We find that Idahoans are evenly split on this matter, with 45.5% preferring higher taxes and more services, while 45.7% want lower taxes and fewer services. This mix of attitudes is consistent with the results from when this question was posed two years ago.



This year, for the first time, we also asked respondents for an assessment of the tax system as a whole. The results indicate that most Idahoans are generally fine with the state's tax system, with a majority of Idaho residents (50.8%) preferring only small changes

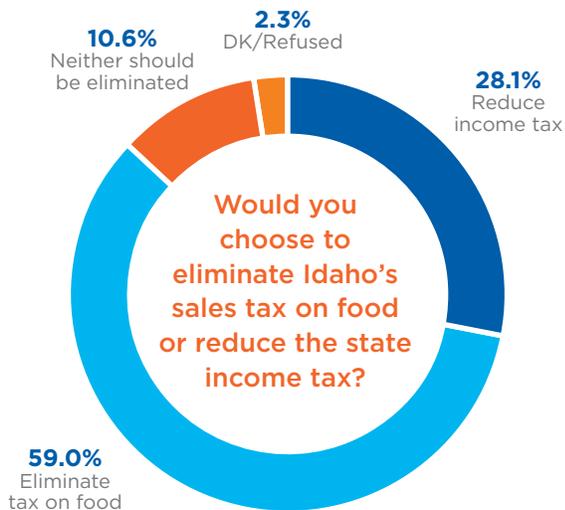


to the state's tax system and another 17.1% saying the system works fairly well as it is now. About a quarter of respondents desire more action, with 14.2% asserting that major changes are needed and 11.3% saying a complete overhaul is needed.

What might these changes be? We explored a number of different possibilities, looking first to see whether there are separate attitudes about personal income taxes and corporate income taxes. For personal income taxes, we asked which people thought was the bigger problem: tax rates being too high or the complexity of the tax code. Half of Idahoans responded that neither was a problem, with the remainder relatively evenly split between those who believe that the tax rate is too high (19.8%) and those who believe the tax code is too complex (23.6%).

Citizens perceive corporate income taxes as more problematic. Nearly half (47.6%) believe there are too many loopholes and tax breaks, while 12.3% believe the corporate rate is too high; about a quarter (25.2%) believe neither are problems. Looking across both the personal and corporate income tax domains, the only problem that is identified by near majorities is that of corporate loopholes and tax breaks.

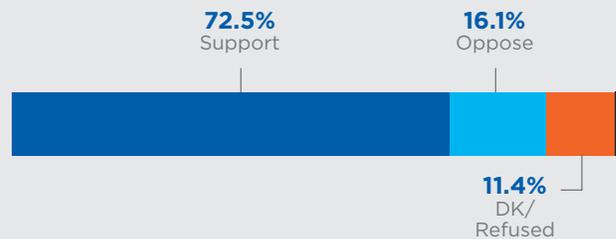
In order to gauge the relative support for two possible kinds of tax relief, we asked a subset of the sample (n=310) whether they would prefer the elimination of the tax on food, a reduction in the income tax rate, or neither. A majority of Idahoans support eliminating the tax on food (59%), with less support for reducing the income tax (28.1%), and still less for eliminating neither (10.6%).



We also explored attitudes concerning a proposal to remove the deadline for the homeowners exemption, finding a broad base of support for doing so amongst Idahoans. A large majority (72.5%) support removing the deadline to allow new owners the exemption like all of the other owner-occupied houses. When we follow up with those who support removing the deadline and ask them if they would still support it even if it meant a slight reduction in property tax revenues to local governments and schools, 78.9% of the supporters maintain their position. Collectively, these two questions tell us that there is significant support for this policy, even when presented with information about the potential fiscal consequences to the change.

Nearly 80% of those who support removing the homeowners exemption deadline continue to do so even after being informed of potential revenue reduction for local governments and schools.

Currently a homebuyer buying an existing home that did not have a homeowners' exemption prior to purchase would not qualify for the homeowners exemption if the home is purchased after April 15th. Would you support or oppose removing this deadline to allow new owners this exemption, the same as all other owner-occupied homes?



Finally, we also investigated attitudes concerning a different kind of tax reform, one related to so-called local option taxation, a commonly discussed approach to raising additional revenue by allowing local governments to levy additional sales taxes. Currently, only a few resort communities in Idaho have the ability to seek popular approval for such taxes. When asked if they would support every city in the state being given the opportunity to vote on a local option tax, a sizeable majority (66.1%) favored this, with a little more than a quarter (27.7%) of Idahoans believing that cities should not be putting these matters before voters.

To explore support for these measures in peoples' cities, we wanted to know not only if they would support such measures, but also what kinds of projects would make citizens more likely to support a local option tax. To assess this, we split the sample, asking half of the respondents if they would support a local option tax in their city, and the other half if they would support a local option tax "to build a library or sports stadium or support the transportation system."

Two-thirds of respondents favor extending local option taxation authority to every city in Idaho, and a majority say they would favor such a plan in their city when given examples of what resulting revenue could fund.

We find that support is mixed across both question wordings, but increases when respondents are given examples of the kinds of projects resultant revenue could be spent on. For example, when asked just about support for a local option in their city, less than half (45.6%) of the respondents said that they would be in favor, but that support rises to 55.5% when people are given the options that the money could be spent on.



Conclusion

As a whole, Idahoans are positive about how things in the state are going, and where they are headed.

They express a healthy dose of optimism regarding the state economy, and are generally satisfied with the direction that the state is going in. There is a sense that tax rates are appropriate, though citizens would welcome certain kinds of cuts. There are also areas of concern that emerge, specifically regarding the quality of education in the state, the visibility of workforce programs, and health insurance affordability.

The School of Public Service appreciates the generous support of the Treasure Valley Survey underwriters.





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