Gov.’s budget proposal to face debate from Legislature

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By Richard Piatt

SALT LAKE CITY — Money is on nearly everyone’s mind this holiday season, and the people charged with raising and spending the state’s money are worried about the long-term consequences of the economy on the state budget.

In his $11.3 billion budget proposal, Gov. Gary Herbert called for a combination of cuts, borrowing instead of paying cash for roads, tapping into the rainy day fund a bit, and preserving what’s important. To the relief of advocates for the poor, that includes programs that keep them alive.

"It’s an important starting point when it comes to building details of the governor's $11.3 billion budget. It’s important that these "bean counters" mean something to everyone who’s worried about a significant economic challenge," he said.

It’s also the start of a debate over the topic. It came up last year but got shot down.

Lincoln Nehring, with the Utah Health Policy Project, said, "They recognize the value. If there’s a fiscally intelligent way to fund it, they support the program."

"If I’m going to say no new taxes, no tax rates, I shouldn’t say we’re going to do all of this," said Nehring.

"If we have the critical needs and will continue to meet the critical needs, especially those who are most vulnerable and in need of government services," Gov. Herbert said.

Still, there are other services for the mentally ill, disabled and others who are not seeing an increase. For those programs, hard times will continue for another year.

"We have met the critical needs and will continue to meet the critical needs, especially those who are most vulnerable and in need of government services," Gov. Herbert said.

For state workers, Nehring said, it means a 3 percent cut for all non-education-related departments. That could mean a combination of furloughs, early retirement, salary cuts or layoffs.

Advocates for Medicaid funding are pleased this year. The governor’s budget calls for an additional $90 million. That allows for significant federal matching funds and covers a large, new group of people who need assistance.

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"If I’m going to say no new taxes, no tax rates, I ought to be consistent," Herbert said. "I ought not to say, because of the economic aspects of this, say, ‘no new taxes, except for you guys.’"

Several legislatures are already anticipating a vigorous debate on the topic. It came up last year but got shot down.

Depending on how large an increase is proposed, it could generate more than $166 million a year right away, using last year’s numbers. But the question is: How do you feel about Gov. Herbert’s proposed use of $166 million of the state’s Rainy Day Fund?

1. This is why we have it
2. Wouldn’t need it, but need a balanced budget
3. No way: find another way

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[Table: FY 2010 Budget Gap and solutions in Millions]

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Solutions:
- Agency Reductions (3% COLA) $9
- Medical Settlement 20
- DPP/Tariq Field 4
- Reduce USTAR ARRA 1
- Restricted Fund Balances 16
- Student Population Account 72
- Total Solutions $163

Includes Higher Education
*Public Education covered by Student Population Account
Governor’s recommended budget

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