

# The Salt Lake Tribune

## Obama signs \$26B emergency package

By Thomas Burr

and Lisa schencker

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Washington • Rushed back from its summer recess, the House passed a \$26.1 billion emergency spending package Tuesday that the White House says will preserve the jobs of thousands of teachers — including 1,800 in Utah.

President Barack Obama quickly signed the legislation. It previously was approved by the Senate.

Utah's three House members split on supporting the spending measure that would pump much-needed cash into some states' coffers while also attempting to keep public workers, such as firefighters and teachers, from further cuts.

Reps. Rob Bishop and Jason Chaffetz joined all but two Republicans in opposing the move — citing it as another example of Washington's out-of-control spending. Utah's lone House Democrat, Jim Matheson, went along with the majority in the 247-161 vote.

"Utah children head back to school in two weeks," Matheson said. "For me, it's a case of whether 1,800 Utah teachers are in their classrooms, or in the unemployment line."

The measure provides \$10 billion for education and another \$16 billion of extended Medicaid payments, with the goal of freeing up recession-squeezed state dollars for other uses.

Many Republicans argued the spending measure bailed out states that hadn't made tough choices in the economic downturn at the expense of states that were more frugal.

"This legislation unfairly distributes funding to irresponsible states that have made poor budgetary decisions and shortchanges states like Utah that have been consistent in the prioritization of spending," Bishop said in a statement.

Chaffetz echoed Bishop's concerns and slammed the process — that of calling the House back to an emergency session when the money wasn't going to be spent until January — saying it's a "sloppy way to make sausage."

"They play on the heartstrings to try and justify their uncontrolled spending," Chaffetz said of Democrats. "This is a bailout for states that acted irresponsibly. Why should Utahns have to pay for the woes of California?"



President Barack Obama look up after signing a \$26 billion jobs bill to protect 300,000 teachers and other nonfederal government workers from election-year layoffs, in the Oval Office at the White House in Washington, Tuesday, Aug. 10, 2010. Applauding behind him are, from left to right, Education Secretary Arne Duncan, Christina Romer, chair of the Council of Economic Advisers, and two out of work teachers, Amanda VanNess of Toledo, Ohio, and Shannon Lewis, of Romney, W. Va. (AP Photo/J. Scott Applewhite)

Utah took “the conservative approach” and didn’t build the federal government’s last-minute \$58 million bump into its Medicaid budget, said Michael Hales, the state Medicaid program’s director.

The emergency funding will free up state dollars for possible use elsewhere, Hales said.

Low-income advocates want to reserve the funds for Medicaid, which experienced unprecedented growth during the recession.

Laid-off workers had flooded Utah’s Medicaid rolls. Enrollment dipped slightly in June for the first time in two years.

But nearly a third of the state’s 220,000 enrollees are being floated with temporary funds, said Lincoln Nehring, a policy analyst at the Utah Health Policy Project. “We still have structural deficit in Medicaid.”

On the education front, federal officials estimate the money could save 161,000 teacher jobs nationwide, including 1,800 in Utah, which will likely receive \$101 million for education.

But it’s unclear whether that many teaching jobs were actually lost in Utah during the past few years, said Todd Hauber, state associate superintendent.

In some cases, Utah schools that would normally have hired more teachers to handle growing enrollment didn’t because of limited funding.

Utah school enrollment is expected to grow by 11,000 students this year, but state lawmakers didn’t give schools additional funding this year to handle that.

To deal with that and other budget challenges this year, some Utah districts decided to shorten the school year, cut teachers or increase class sizes. Officials at several Utah school districts said Tuesday, however, it was too early to say how they might use the new money.

“We would certainly appreciate anything we could get, but right now it’s a little difficult to answer what we would do with that until we know how much [we’re getting] and restrictions on the use of that,” said Keith Bradford, business administrator for the Canyons District, which decided to shorten the upcoming school year by five days to deal with a budget shortfall.

Districts may only spend the money on compensation and other benefits for teachers and other employees supporting education at the school level, federal officials said Tuesday.

The money, which is intended for this school year, must technically be spent by September 2012.

“It would be hard for a school district to suddenly ramp up all kinds of staffing for just one school year, only to have to step back from it the next school year,” Hauber said.

Barry Newbold, Jordan District superintendent, said in a statement “hiring of permanent staff is something we wouldn’t do with one-time funds,” though he said the federal infusion would be “welcome and put to good use.”

It may also be challenging for some districts to spend the money on teachers with the start of the school year only weeks away and staffing already in place.

“To add additional classroom [teachers] would be challenging because we’re very close to starting school,” said Christopher Williams, spokesman for Davis School District, which cut more than 100 educators and shortened the school year by two days. “I do think it’s too early to know exactly what we would do.”

tburr@sltrib.com, lschencker@sltrib.com

Kirstin Stewart contributed to this story.

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Index Small-business conditions fall

The decline in the Zions Bank Small Business Index was slight, but it mirrored the slowing economic growth across the U.S., an economist with Thredgold Economic Associates said Tuesday. > E1

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Economy Fed Reserve to buy up debt

The Federal Reserve isn't so sure about an economic recovery and Tuesday said it would spend a relatively small amount of money — about \$10 billion a month — buying government debt. > E1

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