Budget backs schools, health

By Brian Ahern

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ST. GEORGE - Gov. Gary Herbert announced Friday his $11.9 billion state budget would provide increased funding for education and public health services while stabilizing many of the state's struggling programs.

Herbert predicted revenues would be up $215 million for the fiscal year beginning July 1, 2011, and ending June 30, 2012. It's the state's first increase in revenue since 2007.

"We see recovery, we see daylight," Herbert said in a conference call with reporters. "We have reason to be optimistic for the future."

He added his budget would not include any tax increases.

Of the $215 million of extra revenue, Herbert said $50 million would be added to public education to accommodate the state's growing number of students.

He added the state predicts nearly 15,000 new students will attend Utah schools over the next year.

"Last year we predicted 11,000 and got 13,000," he said. "Whether there's revenue or not, the demands continue to grow."

Washington County School District Superintendent Max Rose said he was excited to hear the news of increased funding.

"It's been at least three years since we've had an increase at all," he said. "What we need to do is go back to the model that's been very, very successful for us."

Rose also praised the $7.5 million the governor proposed for all-day kindergarten programs.

"Extended-day kindergarten changes test scores," he said. "It would play right into our mission."

With the Medicaid caseload growing by more than 40 percent over the past three years, Herbert recommended adding nearly $38 million to the Medicaid general fund and $2.4 million for the Children's Health Insurance Program.

Judy Hilman, executive director for the Utah Policy Health Project, said the additional funds were greatly needed.

"We are pleased to see sufficient funding for caseload growth, both in Medicaid and CHIP," she said. "This approach is preferable to legislative leaders' plan to 'starve the beast' by the amount ($30 million) they want the Medicaid Division to find in fraud prevention."

She added, however, there was still room for improvement.

"We might have liked to see some focus on the physicians' and mental health providers' rates, which are not where they need to be to support timely access to care," she said. "If, as we expect, the February revenue projections are even more positive, these and the above areas should be given top consideration."

Herbert added he also plans to set aside $110 million for the state's Rainy Day Fund.

"It's been a significant tool for us to weather this storm," he said. "For any uncertainties or some surprises around the corner.

The remainder of the revenue would go toward stabilizing most other state programs, including higher education.
"Last year we were asking to do more with less," he said. "This year we're asking them to do more with the same."