

## Legislative preview: State lawmakers face budget shortfalls

Joe Pyrah - Daily Herald

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After four years of teacher raises, massive road projects and dramatic tax cuts, Utah's governor and 104 legislators are staring down the gullet of a billion-dollar revenue shortfall.

Lawmakers convene on Monday to launch their 45-day session, and the two sides already disagree on how to handle the necessary cuts to a budget that currently tops \$11 billion: Gov. Jon Huntsman Jr. has said he wants a 7-percent cut across the board with liberal use of the state's rainy day fund. Lawmakers want a 15-percent cut across the board.

Of all the issues lawmakers take up -- be it health reform, immigration or ethics -- overshadowing all will be money. Or the decided lack of it.

### **Fallout**

Much as been made of Utah County potentially losing its Interstate 15 project, but the effects of the economy also played out in a quiet but profound way on Tuesday. County commissioners approved a reduction in funding for the House of Hope project, a program that keeps families together while rehabilitating women with generational substance abuse problems.

Muttering throughout the vote, commissioners spoke loudly after the decision was made.

"We can't watch people flush their lives down the toilet and stand by and say our hands are clean," said County Commissioner Steve White.

Ever the fiscal conservative, White added that the program costs about \$30,000 per person while keeping a family together. Compare that to \$26,000 for a year in jail and \$34,000 per child for the state to fund the alternative.

"What costs the least is to take care of these people," said Commissioner Gary Anderson, adding that that doesn't even include the "social debris" of shattered families.

The cuts were a result of a special session late last year, and commissioners said they expect to lose the entire program in the upcoming legislative session.

But Utah lawmakers are constitutionally mandated to balance the budget. And, as Anderson admits, everyone is "singing the same song" about things that shouldn't be cut.

Just look at the multi-billion dollar I-15 project viewed as the state's No. 1 priority, now stalled. Look at Utah Valley University's big move to university status already blunted by \$2.7 million in cuts.

Sen. Curt Bramble sees it a little differently.

"Opposing stuff is great," said Bramble, R-Provo. "It is far more difficult to come forward with a constructive idea."

The hugely conservative Legislature isn't heartless, he contends.

"Even the most conservative in the Legislature agree there should be a safety net," he said, including "appropriate roles" for Medicaid and WIC.

### **The feds**

Public health advocates say lawmakers need to hold health funding harmless.

"We're trying to say to them 'Fiscal relief is coming from the feds,'" said Judi Hilman, executive director of the Utah Health Policy Project.

But state lawmakers say they can't set their budget based on promises from the federal government, whether it involves health funding or money for roads. The latter looks, at least initially, like about \$200 million. That's hardly enough for any of the Department of Transportation's big projects, let alone the budget-busting I-15 expansion through Utah County.

But for health and perhaps areas like education, there's a stop-gap: rainy day funds.

"If worse comes to lousy, the money is there," said Healthy Policy Project's Lincoln Nehring.

### **Rainy day**

Utah hasn't garnered "Best Run State" from multiple sources for nothing. During the past few boom years, lawmakers have beefed up reserve funds to \$400 million and created a special fund last year worth another \$100 million to safeguard public education. The trick now is getting them to spend it. They're hesitant to spend one-time money to cover ongoing costs.

Huntsman's budget calls for tapping the funds to "backfill" cuts. For example, public education gets a 7 percent cut but then gets funded through the funds, even though it's one-time funding.

Will the Legislature tap the rainy day funds?

"I believe the answer is probably yes," says Bramble, who makes a point of saying that cuts aren't the end of the world.

"This reduction in revenue doesn't mean the state's going to dry up and blow away."