

## Legislators wrap up \$1 B in budget cuts

Stimulus » Nearly \$600 million in federal cash tapped to protect human services and education.

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Utah lawmakers and Gov. Jon Huntsman Jr. have tentatively agreed to a state spending blueprint that slashes \$1 billion dollars from last year's budget, but tapped nearly \$600 million in federal stimulus money and other dollars to try to protect critical human services and education.

"There is no way to look as golden and pristine as budgets a few years ago given the hand we were dealt," said House Speaker Dave Clark, R-Santa Clara. Nonetheless, he said he was "as proud of the work" as any since he's been in the Legislature.

"We've had our differences, but it's a compromise position and we think it's a good scenario," said Gov. Jon Huntsman Jr.'s spokeswoman, Lisa Roskelley.

Some programs will be trimmed, subsidized childcare for low-income working families may be in jeopardy and an unknown number of state employees could face layoffs.

Still, the flood of federal stimulus money, maligned by Utah's conservative lawmakers, helped stave off cuts that could have gone much deeper. While the Legislature opened in January facing the prospect of cutting as much as 19 percent from state programs, the end result will be reductions averaging about 9 percent.

But it is, as House Budget Chairman Ron Bigelow, R-West Valley City called it, a "one-year reprieve."

The money will lapse when the fiscal year ends on July 1, 2010, forcing legislators to either find new money to patch the hole or cut programs further -- an impending drop-off that some have compared to a cliff on the road ahead.

"The higher the mountain the higher the cliff next year," said Senate Minority Leader Pat Jones, D-Holladay. "I know there's a great deal of concern with many of us about this lack of ongoing money and there are ways to address that."

Democrats on Thursday endorsed an alternate budget plan that would raise the cigarette tax to generate \$48 million that could be used to avoid some long-term cuts in education, public safety and health and human services.

But the Republican majority has refused to raise the cigarette tax and also balked at a proposal to increase the sales tax on food. The only tax that the GOP lawmakers and the governor agreed to this session is a \$20 per car increase in the vehicle registration fee.

Lawmakers also did not dip into \$414 million in the state's Rainy Day Fund and an additional \$100 million set in reserve for public education.

Clark, pointing to bleak unemployment figures released Friday, said those tools may be used if lawmakers are called back into a special session this summer.

It is unclear, said Bigelow, how many state workers would lose their jobs as a result of the cuts.

"There will be a number of people who will be laid off. You just can't cut a billion dollars" and avoid that, he said.

Senate Budget Chairman Lyle Hillyard estimated that 3,100 state positions, including an unknown number of vacant positions, will be cut.

Legislators also are planning to approve the borrowing \$2.2 billion in new road construction by issuing bonds -- \$1.7 billion to rebuild Interstate 15 through Utah County -- and \$115 million in bonding for new building projects.

While some painful cuts have been averted -- such as making it tougher for pregnant women and others to get Medicaid health care coverage -- the spending plan still will mean hardships.

Health advocates are disappointed optional services such as physical therapy and vision benefits -- cut during the September special session -- weren't restored.

"It's going to be less likely now people are going to be able to migrate off Medicaid and become self sufficient," said Lincoln Nehring, Medicaid director for the Utah Health Policy Project.

In the education arena, a proposal to pay teachers based on their performance ended up being axed and smaller districts may struggle to get by.

Families in need also might go wanting.

The state could forfeit an estimated \$42 million in federal aid over the next two years if the Legislature does not restore \$3.2 million cut from child-care services, advocates say.

Stepping over that much federal assistance to save a much smaller number of state dollars "sure seems short sighted," said Lynette Rasmussen, the Department of Workforce Services director over child care programs.