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Governors from both parties plan painful cuts amid budget crises across the U.S.

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Faced with the most severe budget crisis since the Great Depression, governors across the ideological spectrum are embracing the politics of austerity in a desperate effort to balance the books.

Democratic and Republican governors alike are sounding similar themes, as they slash once sacrosanct programs such as those covering education, health care for the poor and aid to hard-pressed local governments. Cutbacks on the state and local levels are expected to be a major drag on the economic recovery.

Some of the deepest and most politically painful reductions have been proposed by Democratic governors in traditionally liberal states that offer a wide range of programs for the poor and generous benefits for public employees. With federal stimulus money being phased out and state tax receipts only beginning to recover from the steep economic downturn, these governors say they have been left with little choice.

"You are seeing some interesting scrambling of partisan politics," said Susan K. Urahn, managing director of the [Pew Center on the States](#). "Governors do not have the luxury of being ideological, particularly when they have huge budget gaps to close."

Last week, New York Gov. Andrew M. Cuomo (D) [called his state "functionally bankrupt"](#) as he proposed closing most of a \$10 billion budget gap by reducing funding for education and Medicaid.

In California, Gov. Jerry Brown (D) [has proposed closing a \\$25 billion budget gap](#) by cutting salaries for non-union state employees by 10 percent and slashing funding for higher education by as much as 20 percent. He also has threatened to cut funding for K-12 education unless voters extend a series of temporary tax increases.

"The times call out for vision and for discipline," Brown said last week in his State of the State message. "Discipline so that we live within the revenue which the state collects each year, and vision so that we rise above mere party, act as Californians first, and put our trust in the people."

Brown and Cuomo are among 29 new governors who have taken office as states face a collective budget deficit of \$175 billion through 2013. That amount comes in addition to \$230 billion in budget gaps that states filled between fiscal 2009 and 2011. Many experts say state tax revenue will not fully recover until the nation returns to full employment, which is not likely for several years.

Beyond their short-term fiscal crises, many states face pension and employee and retiree health-care costs that some say are unsustainable in the long run. Some governors already are curtailing pension and other benefits for new employees, although many analysts say it will take much more to bring their long-term obligations in line.

"It really has sunk in that governors and state legislatures have to put state government on a long-term sustainable path," said Raymond C. Scheppach, executive director of the National Governors Association. "Even if revenues pick back up, the hole is so deep that the economic recovery is not going to save them."

At times, Democratic and Republican governors have sounded strikingly similar refrains as they vowed to shrink the size of their governments.

In New Jersey, Gov. Chris Christie (R) told voters in his State of the State message last month that one of his top priorities is "to reverse the pattern of increased spending and taxing."

He touted his ability to close an \$11 billion budget gap without raising taxes, but by slashing state government spending, including \$820 million in education aid. Christie's determination to rein in spending has made him a rising star among Republicans.

West Virginia Gov. Earl Ray Tomblin (D) struck a similar note in his recent State of the State speech, as he touted the state's ability to overcome the budget deficits of the past few years.

His new budget proposal "contains no tax increases," he said. "This budget neither cuts nor creates entitlement programs."

Locally, the budget situation is not as dire as it is in many parts of the country. Maryland Gov. Martin O'Malley (D) has introduced a budget that would cut \$949 million in spending and freeze funding for public education next year after years of major increases.

Virginia Gov. Robert F. McDonnell (R), meanwhile, closed a \$4.2 billion deficit in the state's current budget, while the District has a \$175 million budget gap for fiscal 2011, according to the Center on Budget and Policy Priorities.

Other states have been taking steps large and small in an effort to get their budgets in order.

Illinois passed a large income tax increase last month in an effort to close a budget deficit that approached half of its general fund budget. In Michigan, where state revenues this year were smaller than they were in 1997, officials have ended funding for the state fair, which was first held in 1849. In New Jersey, lawmakers are bracing for a new round of cuts to be made by Christie, who has said that he would trim health-care assistance to low-income families and restructure aid to local governments and school systems.

"We can't continue to spend money we don't have. We can't print money, and we can't run deficits," he said in his State of the State speech last month. "So we have to continue to make some very tough decisions about what we can afford - and what we can't."

In Nevada, newly elected Gov. Brian Sandoval (R) has proposed rolling back education spending to 2007 levels as part of a plan to patch the state's \$1.2 billion budget gap without raising taxes.

But after surveying the proposed reductions, which include a 17 percent cut in higher education spending and reductions in social service spending, state Sen. Dean A. Rhoads, the chamber's senior Republican, said Nevada should be raising taxes as well as slashing programs.

"I have counties about ready to bankrupt, and the state is going to push more their way," he said in a telephone interview. "My position is maybe we should take a look at some of these taxes. We shouldn't focus only on cutting, cutting and cutting."

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