

STATE BUDGET A POTPOURRI OF PHILOSOPHIES

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Next year's state budget - which will not contain any tax increase - will be a mixture of a lot of retiring Gov. Norm Bangerter, a little of new Gov. Mike Leavitt and maybe - big on the maybe - a bit of the Republican Legislature.

Two things were clear Wednesday after Bangerter gave his 1993-94 \$4.2 billion budget recommendation: First, as of right now, Bangerter's revenue projections are about \$50 million more than those of the Legislature. That void will close as the Legislature's budget office updates its figures, but if there is still a difference, there could be hard times ahead.

Second, Republicans in the House and Senate - buoyed by large freshman classes who want to make an immediate impact on state government - say they'll draw up a list of programs that can be eliminated, curtailed or combined that amount to 10 percent of the \$4.2 billion 1993-94 budget. The Republicans will "prioritize and examine" that 10 percent with an eye toward carving upward of \$40 million out of programs and steering it toward their own "critical" needs.

Legislative Republicans tried a similar approach last year, looking to reallocate just 2 percent of the budget. But when all the budget dust settled the final day of the 45-day session, most of what Bangerter and departmental budgeters wanted in the first place remained intact. And quite a few GOP legislators were frustrated over not being able to get a real handle on the state's huge spending plan.

GOP legislators emphasized that they don't want to cut 10 percent of Bangerter's recommended budget. They just want to examine closely the "lowest priority programs that equal 10 percent" and see if that money can be better spent elsewhere.

Most department heads who go through the legislative process get what was originally recommended by the governor partly because each program's new budget is based on what was spent last year, partly because state government is relatively frugal and well-managed, partly because part-time legislators don't have the time in the 45-day session to fully examine programs that spend hundreds of millions of dollars and partly because full-time bureaucrats are good at lobbying.

Leavitt said Wednesday he appreciates Bangerter leaving \$5 million unallocated in the \$100 million public education budget. Bangerter also agreed to take \$10 million out of this year's anticipated surplus - earmarked for a new Tax Commission Building - and place the building on next year's bonding list and let Leavitt spend the \$10 million on computers in the classroom.

"(Leavitt) can make some impact on this budget," said John Valentine, R-Orem, co-chairman of the all-powerful Executive Appropriations Committee. But Leavitt "can't have a whole lot" of change without severely changing how current programs work.

Lawmakers, by and large, were somewhat skeptical of Bangerter's budget. Said Senate Majority Leader Lane Beattie, R-Bountiful, "I'd say the budget is positive and upbeat. But it also has several areas of concern. I don't think he has come to grips with the crises in higher and public education."

"It looks like a vintage, conservative Bangerter budget," added Sen. George Mantes, D-Tooele. "He's spreading things thin on the infrastructure and, as a result, we're getting further and further behind."

House Minority Leader Frank Pignatelli said he sympathized with the governor-elect, who will be faced with the Bangerter legacy of underfunding in health care and education. "I think the governor left (to Leavitt) a snootful of problems. He passed the buck on critical issues."

Leavitt, holding out the possibility of real change, said he's learned during his transition meetings that many of the education reform items he had earmarked for action his first 100 days in office "have already been tried" in one place or another.

Thus, he said, he's looking to make even more inroads into education reform his first year than he'd previously believed possible. When he proposes his version of the 1993-94 budget on Jan. 19 - the day after the Legislature convenes - "I will propose some rather bold steps," Leavitt said.

The outgoing governor said in a press conference that he expects Leavitt to make changes in his budget, but he declined to speculate on what Leavitt might want to do differently.

"It's appropriate for him to take it apart in detail and see if there's a better way to do it," Bangerter said. "It's not hard to change budgets. You just have to figure out how to live with the changes."

Bangerter unveiled his final budget Wednesday to legislators at a special joint session of the House and Senate, suggesting that for the first time ever, they spend more than \$4 billion. "That may be a dubious honor," he said.

The increase in the \$4.2 billion budget proposed by Bangerter over the amount that will be spent during the fiscal year ending June 30, 1993, is about 4.4 percent, less than the total population and inflation increase.

State tax revenues are expected to increase by \$125 million, a healthy 6 percent rate of growth, but requests by state agencies for new money totaled more than \$400 million, Bangerter told lawmakers.

Bangerter reminded lawmakers that the state has had a budget surplus for each of the eight years he has been governor, thanks to growth in revenues, reductions in spending and "a time or two when we enhanced revenues."